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Monterey, California



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AN ANALYSIS OF THE NAVAL POSTGRADUATE
SCHOOL'S COMMISSIONED OFFICERS' AND
FACULTY CLUB ACCOUNTING SYSTEM

by

Linda Marie Gandee

June 1988

Thesis Advisor:

Willis R. Greer, Jr.

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An Analysis of the Naval Postgraduate School's
Commissioned Officers' and Faculty Club Accounting System

by

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Captain, United States Marine Corps
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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

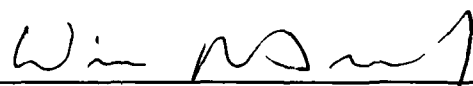
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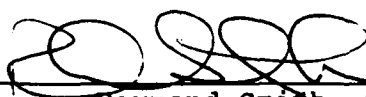
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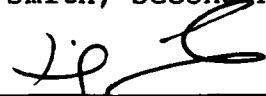
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ABSTRACT

This thesis assesses the current accounting system functioning at the Naval Postgraduate School's Commissioned Officers' and Faculty Club. The primary purpose is to determine if the existing system, the Recreation and Mess Central Accounting System (RAMCAS), provides enough information/controls to present all aspects of operations and to be adequately used in management's decision-making processes. The study reveals that RAMCAS does not provide enough detail to managers. Suggestions are made to enhance the club's accounting system and cost controls. These suggestions include use of subsidiary accounts, food revenue statistics, and a data collection system for cost controls. Implementation of these suggestions will amplify the club's accounting system and provide detailed information that will meet the needs of the organization.



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I. INTRODUCTION

The purpose of this thesis is to provide an assessment of the accounting system currently functioning at the Naval Postgraduate School's Commissioned Officers' and Faculty Club. The thesis will also offer recommendations which attempt to tailor the accounting system to better serve the management of the club.

After a cursory overview of the Commissioned Officers' and Faculty Club, it was determined that the research should be directed towards developing a better means of tracking costs and strengthening internal controls. Office automation is another area of concern, but is beyond the scope of this thesis. Thus, it is the accounting system and cost control procedures that will be the focus of this study.

"Accounting serves a variety of purposes. A major purpose is to help managers operate their organizations more efficiently and effectively." [Ref. 1:p. 910] It is this aspect of managerial accounting that will be the principal subject of this study. The club currently operates under a specific accounting system, and as such, the groundwork is already there for essential financial reporting. But accounting should also help managers in decision-making processes, so that they can make well informed decisions and

operate their organizations in the best possible fashion. This will be a general objective of this study.

The information that was acquired in this research was gathered from Navy operational and financial manuals, personal observations, personal interviews conducted with accounting personnel and club employees, and various other financial literature. This research was initiated as a result of an operational audit that was conducted on the Commissioned Officers' and Faculty Club in August 1987. This operational audit recommended that such a research study be conducted.

The thesis is outlined in the following matter. Background information on the Commissioned Officers' and Faculty Club is provided in Chapter II. Chapter III describes the current accounting framework for the club system. Chapter IV analyses the accounting system and proposes a means of enhancement. Chapter V addresses data collection for cost controls. Finally, Chapter VI offers recommendations and concluding comments.

II. OVERVIEW OF THE COMMISSIONED OFFICERS' AND FACULTY CLUB

The Naval Postgraduate School's Commissioned Officers' and Faculty Club serves the officers, faculty, and their guests in the Monterey area. It is located in Herrmann Hall on board the Naval Postgraduate School. Its operations include various dining rooms, a bar, and a catering office. It provides facilities and services for officers and faculty to casually dine, provides essential feeding for staff and faculty during the week and daily to all permanent Bachelor Officers' Quarters personnel, and also fulfills a catering function, open to the public, for events scheduled in Herrmann Hall. The club also serves the important function of providing special dining services, if needed, when VIP's are visiting the Naval Postgraduate School. The club's operation is a vital function of the Naval Postgraduate School and it does have an overall impact on the morale of the officers and faculty it is designed to serve.

The business volume of the club is between 1 million and 1.3 million dollars in sales per year. The club employs approximately 70 personnel on a regular basis and hires temporary employees as needed in its operations. Funding for the Naval Postgraduate School Club is non-appropriated. However, it does receive appropriated funding for the essential feeding function that it fulfills. It also

receives monies for direct support of foreign military students.¹

The patronage of the club consists of active duty and retired officers, dependents, faculty, and their guests. Essential feeding is a large portion of the day-to-day business operations. This essential feeding consists of approximately 2000 persons during the work week for lunch and also approximately 185 Bachelor Officers' Quarters personnel on a daily basis for breakfast and dinner. Included in both of these essential feeding numbers are the foreign military students. The rest of the club operations can be considered casual dining and catered affairs. A further breakdown of the club's patronage can be seen below in Table 1.²

TABLE 1
PATRONAGE BREAKDOWN

<u>Patronage</u>	<u>Number of Patrons</u>
Active Duty	1780
Dependents	1165
Retired	3497
Civilian	1367

¹Based on interview with Frances Francis, CSSO Manager, 28 January 1988.

²Based on interview with Frances Francis, CSSO Manager, 16 May 1988.

These numbers are based on a periodic actual count of customers. A count estimate is done on a quarterly basis. Input is also supplied from the Records and Personnel Office because this office has an accurate count of the number of active duty officers, dependents, and faculty on board.

The Commissioned Officers' and Faculty Club falls under the supervision of the Superintendent and the Director of Military Operations of the Naval Postgraduate School. For operational purposes, the club also falls under the direct supervision of the Recreation Services Director. The Recreation Services Director, of course, also oversees some other facilities such as the gym, the golf course, and the child care facility. For the purposes of this research, the discussion will be concerned specifically with the Commissioned Officers' and Faculty Club. The basic organizational chart for the club is shown below in Figure 1.³

As indicated by Figure 1, there are several important positions. The key staff positions for the Naval Postgraduate School Club consist of the club manager, the bar manager, the night manager, the catering manager, the head chef, the personal services manager, and the Consolidated Services Support Office (CSSO) manager. These

³Based on interview with Frances Francis, CSSO Manager, 4 April 1988.

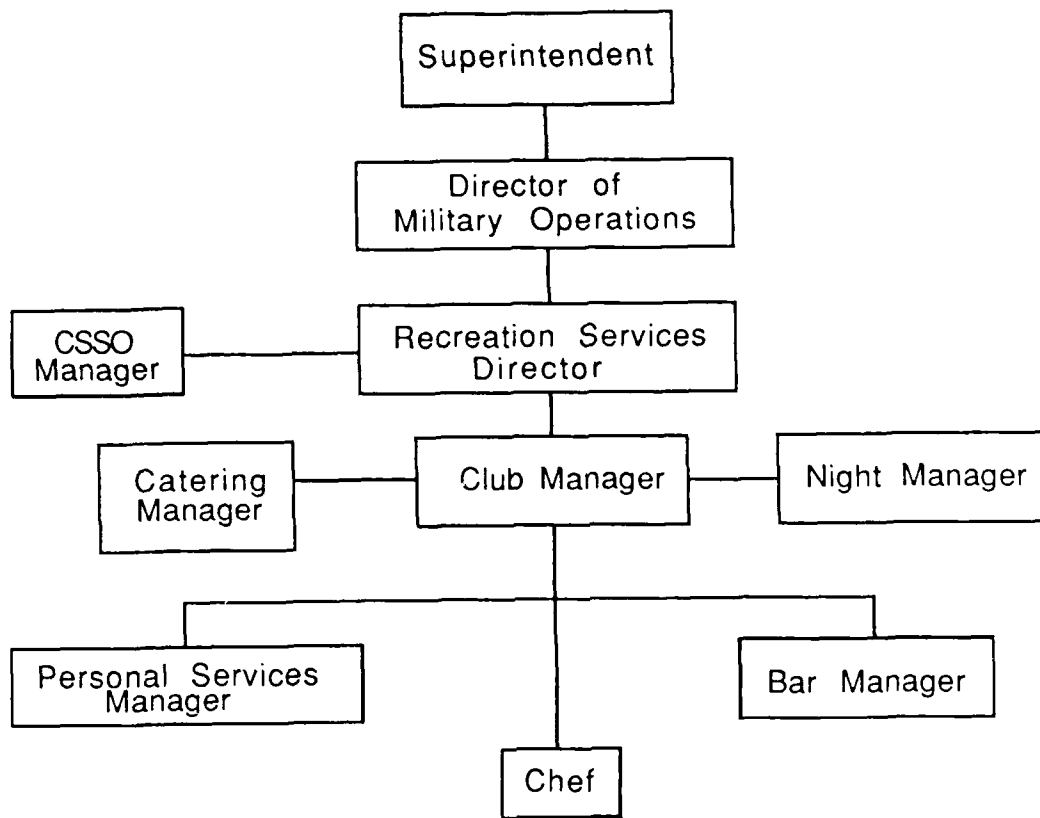


Figure 1. Organizational Chart

positions are operationally significant. Some are self-explanatory and made implicitly clear in function by the title they are called; some are not. Two, in particular, need to be described and explained. The personal services manager functions as the procurement person for goods from commercial vendors and also takes care of laundry requirements for the dining facilities. The CSSO manager

oversees the common administrative and personnel duties for all the recreational activities.

The operations of the club are typical of those of any club system aboard a Naval base. It operates seven days a week, serving breakfast, lunch, and dinner on Monday through Friday, and offers breakfast and dinner on the weekends. Breakfast and dinner are served primarily as sit-down affairs whereas lunch is offered in a cafeteria style or "go through the line" type of service. Essentially what distinguishes the Naval Postgraduate School Club from other club systems is its historic location in the old Del Monte Hotel and the often distinguished clientele it serves (i.e., officers, professors, and other academic professionals that are external to the United States Navy).

The club has basically three main dining rooms. They are the El Prado Room, the El Rancho Room, and the La Novia Room. The daily operations vary with each dining room. There are four other areas that can be set up as dining areas, but it is these three main dining rooms that are primarily used. During routine work days, the El Prado Room, which is also the largest dining area, is open for a sit-down breakfast, lunch and dinner. It is open for breakfast from 0630 to 0800, lunch from 1100 to 1300, and dinner is available from 1700 until 2030. The El Rancho Room opens during the week for a continental style breakfast only from 0630 to 1000. This dining room also offers a

cafeteria style lunch line from 1100 to 1300, and after this time the room is shut down; no dinner is offered. The La Novia Room is used for many of the Naval Postgraduate School's special functions and for catered social events. Consequently, its use varies from week to week. Another room that is routinely used is the Trident Room, which functions as the main bar, and it is open nightly. This area is also open for lunch during the week from 1100 to 1300, offering a salad and sandwich line. An approximate lay-out of these dining rooms and their functions can be seen in Figure 2.

The breakfast, lunch, and dinner menus offered in the dining areas are standard fare. Traditional items, such as eggs and pancakes, are offered for breakfast. Soup, salads, sandwiches, and one hot luncheon special is served for lunch. The dinner menu offered is quite standard too and it does not change often--with the exception of a varying nightly buffet. Typical entrees feature beef, chicken, or fish, which are accompanied by a salad, vegetables, a roll, and a beverage. Several childrens' entrees are also featured on this dinner menu. Both the breakfast and the dinner menus can be seen in Appendix A.

The catering menus offered are completely different and separate from the regular dining room menus. These catering menus can also be viewed in Appendix A. The catering office is open for scheduling only on Monday through Friday.

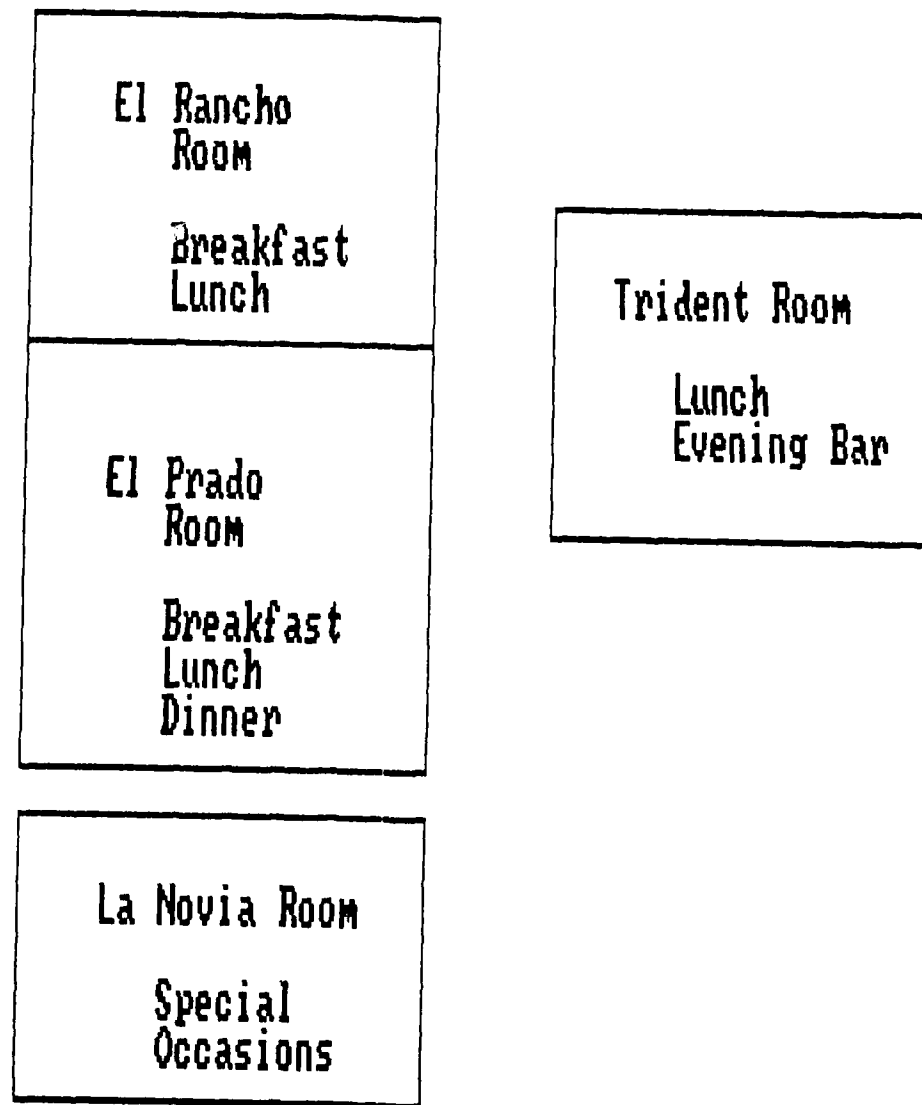


Figure 2. Functions and Layout of Dining Rooms

However, catering service is available seven days a week. It should be noted that there are approximately 750 catered functions arranged yearly at the Naval Postgraduate School. These affairs are arranged by the caterer and the caterer's secretary by means of a private party contract. The service for the affairs is basically then "subcontracted out" through the main kitchen. In other words, catering does not have its own kitchen and other resources. Instead, the head chef receives a copy of the private party contract and food is prepared accordingly.⁴

Food, whether it is for the main dining areas or for a private catered party, is prepared on the premises in the one centralized kitchen and food preparation area which is located adjacent to the El Prado Room. A bakery is also located on the premises and prepares all types of baked goods daily. The one exception to this is wedding cakes, birthday cakes, etc. These are allowed to be brought in and set up from other food service organizations.

Food stock, such as fresh vegetables and meats, is purchased from commercial area vendors. Upon receipt this food is stored in the club's one central storeroom that also contains the necessary refrigeration units. This "warehouse" is kept locked and control of it is maintained by the food service manager. Purchasing of food is done in

⁴Based on interview with Don Wollman, Catering Manager, 23 May 1988.

accordance with Navy procedures and an effort is made to "obtain quality food at the best price and with the best service possible." [Ref. 2:p. 2-9] Goods for the bar are bought in accordance with these same procedures, however, there is a smaller storeroom especially for the bar. Control of this storeroom falls under the bar manager's responsibility. Inventory of goods in both of these storerooms is conducted once a month and Navy stock record cards are used in doing this.

All essential paperwork for the club is taken care of in the administrative/accounting office. This office comes under the supervision of the CSSO manager and it is staffed with eight employees who take care of everything including the personnel administrative duties, time-cards, bookkeeping, and all accounting functions. Training for these employees is mostly on-the-job type training, although some employees are sent to accounting classes offered by the Naval Military Personnel Command. At the present time, the office is not automated. However, the office is looking towards acquiring a personal computer in the very near future and automating their inventory system. More automation is expected in other areas also. This office takes care of accounting functions, in actuality, for four different activities. These activities are the Enlisted Mess, Recreational Services, the Bachelor Officers' Quarters, and the Commissioned Officers' and Faculty Club.

Thus, the cost of the accounting/administrative function (i.e., the cost of running this accounting office) is allocated by a pre-determined set percentage to these four separate activities.⁵

It is the office just described that acquires and manages all the accounting and managerial information for the club system. All purchasing of stock or assets and sales information is eventually processed here. This means that purchase orders from the personal services manager are posted to the records here as are sales recorded from all the various dining areas. Thus, it is basically up to the CSSO manager to see to it that all incoming financial information is summarized and maintained. Accrual basis accounting is used in this process. The information is currently summarized and reported in the club's financial statements in basically three categories. These three categories are food items, bar, and laundry. These categories, along with other financial information, are then used to produce a balance sheet and an operating statement.⁶

These accounting statements and information are currently kept in accordance with a Recreation and Mess Central Accounting System (RAMCAS), which will be discussed in detail in Chapter III. This system is required by the

⁵Based on interview with Frances Francis, CSSO Manager, 4 April 1988.

⁶Based on interview with Frances Francis, CSSO Manager, 4 April 1988.

Naval Military Personnel Command. [Ref. 3:p. ii] It is this command that maintains the official records of Morale, Welfare, and Recreation activities. As required by RAMCAS, summarized data for the entire club is desired because it is the most useful type of information for the Naval Military Personnel Command. It is this type of information that is currently being acquired by the CSSO manager. Basically, summarized financial statements are prepared for the entire activity. These statements are then made available in the accounting office and the club manager, night manager, and bar manager have access to them if they desire to see them. However, the prime means of disseminating this information about the financial status of the club is via a semi-monthly meeting. This staff briefing is attended by all key personnel. It allows the Recreation Services Director to keep abreast of the club's operations and to pass along any important information concerning the financial status or other operations of the club.⁷

Thus, the information being acquired by the accounting office is for use by an external agency. It is not necessarily in the most useful form for the internal needs of the club's management. This is an important point. This means that key staff personnel may not be receiving crucial

⁷Based on interview with Dick Crawford, Recreation Services Director, 16 May 1988.

information that they should be getting to manage their respective areas.

The information that key personnel are receiving at the briefings held twice a month is summarized data and does not give detailed, pertinent information to the individual managers. These managers should be receiving information that is useful to them about their particular area of responsibility. However, the accounting system in use at the club,

...is designed to generate the minimum accounting necessary to support NMPC's accounting needs. It does not provide managers with information that is required for making effective decisions about the day-to-day operations of the club. [Ref. 4:pp. 11-12]

In summary, the Commissioned Officers' and Faculty Club is an integral part of the Naval Postgraduate School. It offers a variety of services for its patrons and it enhances the environment of the school. The management of the club consists of several key staff positions. The managerial information that these individuals receive is important in the club's daily operations. These managers currently receive summarized data concerning the financial status of their organization. This is done in accordance with RAMCAS reporting procedures which are an external requirement of the Navy Military Personnel Command.

III. CURRENT ACCOUNTING AND INFORMATION SYSTEM

Accounting is defined as,

...a process of (1) collecting financial information, (2) analyzing it to determine what information is relevant to particular decisions, (3) presenting the relevant information in a meaningful form to the user, and (4) assisting and advising the user in interpreting the information and applying it in the decision making process. [Ref. 5:p. 5]

Accounting helps managers make intelligent resource allocation decisions. This is done by providing managers with relevant financial information.

In general, accounting can be classified as either internal or external. Internal accounting is prepared for the use of management and external accounting is prepared for the use of outside parties. "Requirements for external reporting determine the minimal elements of an internal accounting system." [Ref. 6:pp. 10-12] Most managers need additional information beyond that furnished by a external financial accounting system. [Ref. 6:pp. 9-15]

An accounting system of an organization is usually its major quantitative information system. An organization's accounting system should provide information for three broad purposes:

- (1) Internal reporting to managers, for use in planning and controlling routine operations,
- (2) Internal reporting to managers, for use in non-routine decisions,

- (3) External reporting to outside parties, for use in decisions and other applications.

Internal management and external parties share an interest in all three of these broad purposes, but the emphasis differs. External reporting emphasizes financial accounting and financial accounting consists of "the historical, custodial, and stewardship aspects of accounting." [Ref. 1:p. 2] Internal reporting, on the other hand, emphasizes management planning and control and is usually called management accounting or internal accounting. It serves a variety of purposes, but basically management accounting deals with the "identification, measurement, accumulation, analysis, preparation, interpretation, and communication of information that assists executives" [Ref. 1:p. 2] in managing their organizations. [Ref. 1:pp. 1-25]

The current accounting system used by the Naval Postgraduate School's Commissioned Officers' and Faculty Club is the Recreation and Mess Central Accounting System (RAMCAS). This accounting system conforms to the guidelines of NAVSO-P3520 which is the Financial Management Policies and Procedures for Morale, Welfare, and Recreation Programs. NAVSO-P3520 sets up general guidelines for external financial requirements deemed necessary by the Office of the Comptroller. More specific detail about the accounting system is presented in the RAMCAS User Handbook and some of the most important details of this handbook will be discussed in this chapter.

The RAMCAS User Handbook was developed by the Naval Military Personnel Command to serve as a day-to-day guide for employees who are working directly in the accounting process. It provides "RAMCAS users with practical financial information and NAVCOMPT reporting requirements." [Ref. 3:p. 1] Essentially, the handbook is "designed to help you perform your job with non-appropriated fund activities." [Ref. 3:p. 3]

The RAMCAS User Handbook is organized well and breaks every accounting function down into a simple job task. The book is divided into five different sections: Schedule Guides, Duty and Task Job Aids, Chart of Accounts, Employee Payroll, and Financial Reports. A brief descriptive opening is presented at the beginning of each section of the RAMCAS Handbook. Additionally, it is "suggested that the guidelines and charts presented be marked in order to tailor them to the requirements of the organization." [Ref. 3:p. C1] In reviewing the Commissioned Officers' and Faculty Club accounting office copy of the RAMCAS User Handbook, no such markings or notes to tailor the RAMCAS procedures were found.

In general terms, RAMCAS is a typical accounting system in that it is a set of records and procedures that routinely deals with the events affecting the financial performance of the organization. The most important features of RAMCAS will be examined in the discussion that follows. Perhaps,

the best place to start is with the basic means used to classify costs and expenses--the Chart of Accounts. A listing of all the accounts in the RAMCAS Chart of Accounts is provided in Table 2. Each RAMCAS account is identified by a five digit code and the first three digits of this code tell where the account will appear on the balance sheet and operating statement. A sample of such a balance sheet and operating statement is shown in Table 3. Table 3 shows the major categories on each statement and the accounts which appear as a part of each category.

All transactions of the Commissioned Officers' and Faculty Club are recorded to these accounts. Procedures for recording transactions to these accounts is described in detail in the Duty and Task Job Aid Section of the RAMCAS User Handbook. The accounting employee is told exactly how to record each transaction in this section of the RAMCAS Handbook and how to prepare all necessary documents in reporting the transactions. Essentially, this is done in the following manner. Each major transaction is described as a "duty" and then broken down into various tasks and steps. For example--Duty VIII in the RAMCAS User Handbook is "Prepare Daily Report on Previous Day's Operations." This duty consists of one task which is "Prepare a daily financial report," and then this task is explained in eight detailed steps. [Ref. 3:pp. B1-B101]

TABLE 2

RAMCAS CHART OF ACCOUNTS

Current Asset Accounts and Account Numbers

101-00	Concentration Bank Account
102-00	Restricted Cash-Cap Outlays
103-00	Restricted Cash-Local
104-00	Imprest Bank Account-Local
105-00	Imprest Bank Account-Payroll
106-00	Imprest Bank Account-For Currency
107-00	Imprest Bank Account-Credit Card
108-00	Change Funds
109-00	Imprest/Petty Cash
131-00	Accounts Receivable-General
132-00	Accounts Receivable-Ret Checks
133-00	Accounts Receivable-Other
151-XX	Dept Resale Inventories
152-XX	Central Stores
161-00	Prepaid Supplies
162-00	Prepaid Contracts
163-00	Prepaid Tickets
168-00	Prepaid Other Expenses
169-00	Suspense Account

Fixed Asset Accounts and Account Numbers

171-00	Vehicles
173-00	Furniture, Fixtures, & Equip
175-00	Buildings and Facilities
177-00	Bldgs & Facilities Improvement
178-00	Construction in Progress

Accumulated Depreciation

181-00	Accum Depr-Vehicles
183-00	Accum Depr-F.F. & E.
185-00	Accum Depr-Bldgs & Facility
187-00	Accum Depr-Bldgs & Facility Imp

Long Term Receivables

191-00	Loans Receivable
--------	------------------

Current Liabilities

201-00	Accounts Payable-Trade
202-00	Accounts Payable-Other
203-00	Customer Deposits
204-00	Gratuities Due Employees
205-00	Service Charges Due Employees

TABLE 2 (CONTINUED)

Current Liabilities (continued)

206-00	Assessments Due NMPC
211-00	Accrued Wages Payable
212-00	Annual Leave Payable
213-00	Federal Withholding Tax Pay
214-00	Social Security Tax Pay
215-00	State Withholding Tax Pay
216-00	P/R Deduction Savings Bonds
217-00	Retirement Annuity
218-00	Group Life Insurance
219-00	Group Comp Medical Withholding
220-00	Disability Insurance
221-00	Health Maint Organization
226-00	Foreign National Withholding
229-00	Payroll Deductions-Other
251-00	Unearned Income

Long Term Liabilities

271-00	Long Term Loans Payable-NMPC
272-00	Other Long Term Loans Pay
281-00	Long Term Ret and Severance Allow
282-00	Long Term Bonuses Payable

Retained Earnings

291-00	Retained Earnings Beg of FY
--------	-----------------------------

Adjustments, Net Profits

291-01	Adjustment Credits YTD
291-02	Adjustment Debits YTD
293-00	Net Profit/Loss

Capital Grants

295-01	Central Funds-Capital Grants
295-02	Major Claimant-Capital Grants
295-03	CPS Distr-Capital Grants
295-04	APF Reimb-Capital Items
295-05	Other-Capital Grants

Transfers

297-01	Cash Transfers to other NAFI's
297-02	Fixed Asset Transfers

TABLE 2 (CONTINUED)

Resale Revenue

301-XX Resale Revenue

Program Revenue-Income

501-XX	Program Revenue
531-00	Common Support Services
532-00	Membership Dues
551-00	APF Reimb-Operations
560-00	SATO Distributions
563-00	Central Funds-Oper Grants
563-01	Operational Grants-Other
564-00	Major Claimant-Oper Grants
566-00	CPS Distribution-Oper Income
567-00	CPS Distribution-Auth Admin Costs
569-00	Other Revenue
581-XX	Central Store Overage
591-00	Vending Machine Commissions
592-00	Amusement Machine Commissions
593-00	Other Commissions
594-00	Pay Telephone Commissions

Cost of Goods Sold Expense

401-XX Cost of Goods Sold

Operating Expenses

601-XX	Salaries and Wages
602-XX	Salaries & Wages-Local Natl
621-XX	Employer's Share of FICA
622-XX	Annual Leave Expense
623-XX	Sick Leave Expense
624-XX	Employee Meals
625-XX	Employee Benefits-Local Natl
626-XX	Employee Benefits-Other
641-XX	Utilities
642-XX	Bldg and Equipment Rental
661-XX	Telephone, Telegraph, Postage
681-XX	Rep & Maint-Bldg & Facility
682-XX	Rep & Maint-Vehicles
683-XX	Repairs & Maint-F. F. & E.
684-XX	Minor Property
701-XX	Supplies
703-XX	Laundry
721-XX	Travel and Per Diem
731-XX	Freight & Transportation
741-99	Common Support Service Expense
761-XX	Depreciation Expense-Vehicles

TABLE 2 (CONTINUED)

Operating Expenses (continued)

762-XX	Depreciation Expense-Equipment
763-XX	Depreciation Expense-Bldg & Facility
764-XX	Depreciation Expense-Bldg & Facility Imp
781-XX	Advertising and Promotion
782-XX	Conferences and Training
783-XX	Instructional Fees
784-99	Credit Card Sales Expense
785-XX	Awards and Prizes
786-99	Unit Allocation
787-XX	Entertainment
789-XX	NMPC Assessments
791-XX	Central Store Shortage
799-XX	Miscellaneous Expense

Other Income

812-00	Cash Overage
813-00	Gain on Disposal of Fixed Assets
814-00	Prior FY Income Adjustment
819-00	Bonus Merchandise
891-00	Miscellaneous Income-Extraordinary

Other Expenses

912-00	Cash Shortage
913-00	Loss on Disposal of Fixed Assets
914-00	Prior FY Expense Adjustment
915-00	Bad Check Expense
916-00	Other Bad Debt Expenses
950-00	Interest Expense
991-00	Miscellaneous Expense-Extraordinary

TABLE 3
BALANCE SHEET AND OPERATING STATEMENT

I. Balance Sheet

<u>Assets</u>	<u>First 3 digits of Code</u>
Current Assets	101-169
Fixed Assets	171-178
Accumulated Depreciation	181-187
Long Term Receivables	191
<u>Liabilities</u>	
Current Liabilities	201-251
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<u>Net Worth</u>	
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Adjustments, Net Profits	291-293
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II. Operating Statement

Resale Revenue Income	301
Cost of Goods Sold Expense	401
Program Revenue Income	501-593
Operating Expenses	601-799
Other Income	812-891
Other Expenses	912-991

Additionally, more detail is outlined in the Chart of Accounts Section of the RAMCAS User Handbook. This section gives an overview of each account, the account status, and when it should be debited or credited. This section also suggests subsidiary records or accounts that should be maintained in support of each account.

As one can see RAMCAS is very exact in its reporting procedures so that all activities will be reporting uniformly--which is as it should be. RAMCAS calls for daily reports to be turned in and monthly and quarterly close-out reports are required also. The Schedule Guide Section of the RAMCAS User Handbook gives directions on when these reports are due, the information/forms that are needed, and the distributions of these reports. The reports are broken down in RAMCAS into four categories:

- (1) Daily functions,
- (2) Monthly functions,
- (3) End of month accounting functions,
- (4) Quarterly functions.

Each of these functions is depicted by a table which denotes what tasks are to be performed. [Ref. 3:pp. A1-A9] Transactions are allowed to accumulate on the records and accounts until the end of the month. At the end of the month the accounts are closed and then utilized to produce financial statements for the activity.

A. SALES

The sales transactions that are reported to RAMCAS key off a document known as the Daily Activity Record (DAR) or NAVCOMPT Form 2211. A copy of a DAR is presented in Appendix B. A DAR is prepared for each cash register and dining room as a record of the day's earnings. For example, a person working the cash register in the La Novia Room would partially fill out a DAR indicating "Breakfast--La Novia Room" and indicate the total sales amount in the appropriate blocks. This DAR is then passed on for completion along with the money and the cash register tape to the accounting office. Upon receipt at the accounting office, a cashier verifies the money amount turned in and the sales amount on the register tape, and discrepancies, whether under or over, are noted in Item 20 of NAVCOMPT 2211. Then the money is deposited in the bank accompanied by a deposit slip and the DAR is forwarded for further completion to the bookkeeper.

The bookkeeper will determine and enter all credits and debits (which can be seen in Item 19 on NAVCOMPT 2211). Then at the end of the day a Daily Activity Record Summary is prepared by the bookkeeper. An example of this Daily Activity Record Summary can be seen in Appendix B. In essence, this is a summary of all of the DAR's that have been turned in for that day. After this summary is

completed, the transactions are posted to the appropriate accounts.

B. PURCHASES

Processing of purchases from commercial vendors is done off of a Purchase Order or NAVCOMPT 2213. A sample Purchase Order can be seen in Appendix B. Purchasing is initiated by the Personal Services Manager who identifies when goods are needed and fills out the Purchase Order accordingly. As required by procedures, at least three commercial vendors must be consulted before a purchase is actually made. This is to ensure competition and to make sure that the club receives the best price possible for the goods ordered. Copies of the Purchase Order are forwarded to the accounting office from Receiving after the items have been received. These are reviewed to ensure that the goods were received in an acceptable condition and at the quantity and price specified on the original Purchase Order. After a proper review of the Purchase Order is completed, the payment to the vendor is processed. Next the transaction is recorded to the subsidiary records in accordance with RAMCAS.

C. PAYROLL

A specific section of the RAMCAS User Handbook describes the employee payroll process, including the withholdings. This section does not apply directly to the Naval Postgraduate School because the payroll for civilian

employees at the school is computer generated from Managistics of New York. The Managistics organization is sent all time card information for each employee and a computerized payroll is produced for the club.⁸

D. END OF MONTH CLOSE-OUT

At the end of each month a financial close-out is made. A time period of three working days is allowed for this. Summarized documents, that include DAR's and general journal vouchers, are gathered together for the month and forwarded into RAMCAS. Note that a financial statement is not prepared and forwarded, but only the documentation for financial statements is forwarded to the Naval Military Personnel Command, RAMCAS, at Paxtuxent River, Maryland.⁹ Financial statements are generated and financial ratios calculated from the documentation and then sent back to the Naval Postgraduate School from Maryland. These financial statements are not received until the end of the following month. So there is quite a time delay in receiving this data the way the system is currently set up. Upon receiving the financial statements, key staff personnel are briefed, as explained in Chapter I, at a meeting that is called every two weeks. Thus, the financial status and variances of the

⁸Based on interview with Frances Francis, CSSO Manager, 4 April 1988.

⁹Based on interview with Frances Francis, CSSO Manager, 4 April 1988.

club are reviewed on a monthly basis when results of the end of month close-out are received.

The following computer generated financial reports are produced monthly by RAMCAS: summarized income statement, balance sheet, statement of financial condition, summarized operations statement, liquidity analysis, and a statement of appropriated fund support. Similar reports are produced also at the year end close-out. [Ref. 3:p. F1]

As described by the RAMCAS User Handbook, RAMCAS has procedures for every basic accounting function in order to ensure uniformity of reporting. The RAMCAS User Handbook is an invaluable desk-top guide and a vital training aid also. It answers all questions concerning the basic accounting tasks. However, there is one area that is not discussed in the RAMCAS handbook, that is how RAMCAS should be used as a management tool. It can be agreed upon that accounting serves a variety of purposes and basic external financial reporting is one of these--which RAMCAS does extraordinarily well. However, another purpose of accounting is to help managers run their organizations in the best manner possible. Internal accounting is the means by which this should be done. Internal reports should be "prepared and issued as often as necessary to be of optimum use to management officials within the Department of Defense components." [Ref. 7:p. 5] This function of accounting is

an important one and will be the focus of further discussion.

The financial accounting system, RAMCAS, is the only formal information system the club has. A sample of the monthly RAMCAS summarized financial information available to key employees is shown in Appendix B. The other information that is used is communicated on an informal basis in reports or meetings that are called every two weeks or is acquired in day-to-day operations. The information that each key staff employee currently receives, acquires, or has access to is listed below.

- (1) Club Manager--Receives summarized financial information from the CSSO Manager; receives detailed information about operations from daily contact with subordinates; has broad area of responsibility and from which to draw information,
- (2) Night Manager--Has access to summarized financial information on hand in the accounting office and receives an overview brief every two weeks; has first hand knowledge on the operations and service levels being achieved during the evening hours,
- (3) Bar Manager--Has access to summarized financial information on hand in the accounting office and receives an overview brief every two weeks; has detailed knowledge of liquor costs and bar inventory levels,
- (4) Personal Services Manager--Has access to summarized financial information on hand in the accounting office and receives an overview brief every two weeks; has detailed information about food costs, inventory levels, and laundry costs,
- (5) CSSO Manager--Responsible for compiling all the financial information into a summarized state; actually sees the most accumulated detail of any management position,

- (6) Chef--Has basic information about the menus and has access to detailed information concerning food costs,
- (7) Caterer--Has detailed information about the catering schedule; has access to club's summarized financial information.

Information, including financial information, is important to an organization. The overall purpose of information "is to reduce a decision maker's uncertainty about the state of nature." [Ref. 8:p. 151] In other words, information should help managers evaluate and make better decisions within their organization. Be aware that the information managers receive should be accurate, reliable, and pertinent to their jobs. In summary, "an information system should meet the needs of the organization." [Ref. 9:p. 474]

IV. ACCOUNTING ENHANCEMENTS

Identifying the type of information that an organization needs is not an easy task. This is because information requirements can be varied, complex, and dependent on the needs of different management levels. The strategy used in this research for determining information requirements has been to derive the requirements from existing information systems. This is because the Commissioned Officers' and Faculty Club performs fairly standard operations and needs fairly standard information for its system. Therefore, choosing an existing system as a basis for an information requirements system is appropriate. An existing system has an operational history. Adjustments for information requirements are made from it. The primary existing system used as an anchor for this study is the Uniform System of Accounts as recommended by the National Restaurant Association. This system and similar versions of it are implemented by many food service organizations across the country. [Ref. 9:pp. 473-497]

Using the existing system as a basis, an initial set of information requirements for the club has been derived. The data needs that have been diagnosed for each key manager are listed below:

- (1) Club Manager--Needs summarized information concerning the overall operations of the club, needs a break

down of how each different function of the club is performing so that variances can be analyzed and management decisions made concerning bar & food costs, bar and food sales, labor costs, laundry costs, and support costs on at least a weekly basis,

- (2) Bar Manager--Needs detailed information specifically about bar operations and bar financial performance to include labor costs, liquor costs, inventory, and a sales summary on a daily basis,
- (3) Personal Services Manager--Needs detailed information concerning food costs, historical track records of vendors, purchasing procedures, inventory, and food requests made by the chef,
- (4) Caterer--Needs detailed information specifically about catering operations and catering financial performance to include food and labor costs and a sale summary,
- (5) Chef--Needs detailed information on a daily basis, if possible, specifically about food costs, food preparation methods, forecast of number of customers, menu planning, and aggregated information about availability of food items, pricing structure, inventory, and customer reaction.

The information described above is needed by the club. Some of the information, like the summary information, is currently received. The suggestions and discussion that follow in this chapter and in Chapter V are made to provide information that is lacking or weak in the current system.

The alternative control methods to be discussed in this research may sound effective on paper, but it should be remembered that no control system has yet been devised which, by virtue of the paper work alone, will bring about the desired results. "Food cost control is not just a clerical function; it also calls for close attentiveness on the part of management and food handling employees to

execute proper procedures." [Ref. 10:p. 129] It is good supervision that will ensure that a control system works effectively. Consequently, food statistics and daily cost figures that are generated from a food control system can serve as a guide to management and allows them to base corrective steps on factual data. [Ref. 10:pp. 129-130]

A. SUBSIDIARY ACCOUNTS

A prudent manager should be interested in how his/her organization is operating in comparison to its operational budget. Such questions can be readily answered by looking at the financial statements based on data made available from a simple but adequate record keeping system. Keep in mind "that the extent of available information on sales, food costs, and other expenses depends on the amount of detail made available by the records." [Ref. 10:p. 89] Experience indicates that problems with record keeping often stem from a lack of information at the source. Accurate data are obviously important for sales management decisions as well as for the sake of proper record keeping. If such information or entries were made daily, on or along with the DAR's, correct record keeping would not be a burden or a nuisance. Consequently, it would allow management to keep abreast of all business aspects in fine detail. The gist is to implant the idea that properly compiled figures will become an invaluable tool in improving any problem areas. [Ref. 10:pp. 89-91]

The RAMCAS accounting system as described is very effective for basic financial reporting; and it presents an adequate picture of the overall status of the Commissioned Officers' and Faculty Club. But it does not offer enough information about the individual functions of the organization. For instance, management can not tell, just from using the specified RAMCAS reports, whether the catering office is making money or operating at a deficit. It would be "desirable to detail the make up of food sales in order to evaluate more accurately the kind of business being done." [Ref. 10:p. 34] In other words, you would probably want to show these sales and costs separately in the income statement. Suppose, for instance, that the catering office was a substantial source of income for the Commissioned Officers' and Faculty Club; it may be deemed necessary to have a separate departmental income statement specifically for the catering function. The point being made is simple but important. Divisions should be made "between meal periods and source locations" [Ref. 10:p. 34], such as by dining area and function. This kind of information and other statistical information can be valuable in evaluating operations and in developing and monitoring marketing and business efforts.

One way of doing this is to collect information concerning costs and sales by function for the club. Table 4 shows a simplified means of doing this. [Ref. 4:p. 12]

TABLE 4
COST AND SALES BY FUNCTION

	<u>Dining</u>	<u>Bar</u>	<u>Catering</u>
<u>Revenues:</u>			
Subsidy			
Sales			
<u>Less CGS</u>			
Gross Profit on Sales			
<u>Operating Expenses:</u>			
Labor			
G & A Expense:			
Supplies			
Equipment			
Laundry			
Miscellaneous Expense			

Subsidiary accounts should be established to do this. By collecting information this way, managers that need it could receive a breakdown of how well a particular club function is performing.

The organization needs some convenient means of collecting this information. It appears that it can be done fairly easily without interrupting any normal flow of work. Some of the information required for doing this is already being gathered in the day to day operations. It is just not being categorized and used. The information is being gathered on the DAR's. Each DAR specifies which dining room in which the sales transactions were made. Thus, the DAR pinpoints responsibility, provides control and summarizes information. It is a means of directing information and should be used to the fullest extent possible.

Another local form may need to be devised in order to provide sufficient information to evaluate operations at this point in time. Such a form should be prepared so that the information it provides can be expanded to the extent needed in each instance to meet the desire for more detail. In developing such a form, it may also be advisable to devise it for input to a computer assisted analysis planned for in the future. A suggested version of such a form to collect this data is shown in Appendix B.

As the RAMCAS accounting system is operating at the present time, only three main subsidiary accounts are functioning.¹⁰ These three accounts are Accounts Receivable, Accounts Payable, and Wages Payable. Since recent operations have indicated losses, it is indicative that there is a need to control costs as much as possible. A means of establishing more control is to set up more subsidiary accounts. Subsidiary accounts provide more detail--which would be beneficial as previously discussed.

Separate subsidiary accounts are proposed for each of the separate club functions in order to provide more detailed information on a daily basis to the organization. In other words, subsidiary accounts should be set up for the various dining facilities, the bar, and the catering office. These new additions would be set up to account for food cost

¹⁰Based on interview with Frances Francis, CSSO Manager, 4 April 1988.

and revenues. By implementing such a memorandum accounting system, management will be able to more effectively evaluate operations and pinpoint trouble areas. Without such information, the operations manager can only speculate and attempt to search for his/her problems because there is no supporting factual data.

B. FOOD REVENUE STATISTICS

Another alternative that the Commissioned Officers' and Faculty Club may want to consider is that of food revenue statistics. A knowledge of food revenue statistics can be helpful in many ways. For example, the number of customers served is an important measure of acceptance. Average sales per customer can also be computed using the number of customers; the average sale per customer can help management monitor the effect of menu pricing policies. Statistical information can also be used to measure efficiency of the dining room layout and the efficiency of the employee's time. The former is measured by using sales per seat and customer turnover per seat; the latter can be measured by using the number of meals served per waiter or waitress. By knowing the number of meals served per waiter/waitress, it can help management with knowing how many waiters/waitresses to schedule for work at particular times. It may be possible to set a standard or protocol as to the number of customers that should be served per waiter/waitress. A standard would enhance management's decision-making ability.

This would enable the club to control their labor costs better. For instance, management would know how many more waiters/waitresses need to be scheduled when conferences are held at the school. [Ref. 10:pp. 34-36]

A narrative follows on how these various statistics can be calculated. The easiest way to demonstrate this is to use a hypothetical case as an example. Three meal periods will be used in our example and a seating capacity of one hundred customers in order to simplify the calculations. First, daily sales revenue for each meal is divided by the number of customers served. This gives you an average check per customer. This calculation is displayed below in Table 5 and should be performed for each dining room. [Ref. 10:p. 35]

TABLE 5
AVERAGE CHECK PER CUSTOMER

<u>Meal Period</u>	<u>Sales Revenue</u>	<u># Customers</u>	<u>Avg. Check</u>
Breakfast	\$1000.00	200	\$5.00
Lunch	\$1200.00	300	\$4.00
Dinner	\$ 800.00	100	\$8.00

The average daily turnover per seat will be calculated next. To do this, divide the daily sales revenue by the customer capacity of one hundred seats. We can also calculate the daily customer turnover per seat in terms of dollars. This is done by dividing the average daily sales

revenue per seat by the average check value. These calculations can be seen below in Table 6. [Ref. 10:p.35]

TABLE 6
FOOD REVENUE PER SEAT & CUSTOMER TURNOVER

<u>Meal Period</u>	<u>Avg. Daily Food Revenue Per Seat</u>	<u>Daily Customer Turnover Per Seat</u>
Breakfast	\$10.00	2.00
Lunch	\$12.00	3.00
Dinner	\$ 8.00	1.00

It is also possible to calculate the average sales and the average number of customers served per waiter/waitress. Average revenue per server is found by dividing the daily sales revenue by the number of servers. The average number of customers served per server is determined by dividing the daily total of customers served by the number of servers. Table 7 depicts these calculations. [Ref. 10:p. 35]

TABLE 7
AVERAGE REVENUE & NUMBER OF CUSTOMERS PER SERVER

<u>Meal Period</u>	<u>Number of Servers</u>	<u>Avg. Revenue Per Server</u>	<u># of Customers Per Server</u>
Breakfast	10	\$100.00	20.0
Lunch	10	\$120.00	30.0
Dinner	5	\$160.00	20.0

Popularity of various food items can be determined through analysis also. This is important to do in looking at sales of the high cost items on the menu, such as steaks, so that closer control can be maintained. Such an analysis is most easily done on electronic, point of sale registers, but it can be done by hand, too, if the customers' checks are completely and properly filled out. If done manually, a "clicker" counter or "tick" marks could be used. It is merely a matter of going through all of the customers' checks and tallying up the total sales revenues for the various menu offerings.

Another point that would better reflect a true food cost is to take into consideration the amount of food used for employee meals. The cost of employees' meals should be calculated and shown as a separate cost on local forms. This would enable management to see more clearly the direct relationship between menu pricing and costs. The food cost figure on the financial statement, used in computing profit, would be the net food cost after deducting the cost of the employees' meals. A convenient means of calculating employees' meal costs is to base them on food cost alone and then price these meals on an estimated basis as accurately as possible. Thus, the price per meal times the number of meals eaten by employees would be the total cost of employees' meals. Obviously, a supervisor would have to keep track of how many employee meals are eaten to do this

estimation. An arbitrary meal costing system and the calculation just discussed is shown in Table 8. [Ref. 10:pp. 37-39] Currently, food service workers are not charged anything for the meals they eat at the Naval Postgraduate School and the cost of employees' meals is not calculated. Thus, the employees meal cost just shows up as an unidentified part of the total food cost. Calculation of the employees meal cost would give management a more defined picture of food costs.

TABLE 8
EMPLOYEE MEAL COST

<u>Meal Period</u>	<u>Estimated Cost</u>	<u># Employees</u>	<u>Total Cost</u>
Breakfast	\$1.20	5	\$6.00
Lunch	\$1.50	15	\$22.50
Dinner	\$3.00	10	<u>\$30.00</u>
			\$58.50

These food revenue statistics should help amplify the operations of a food organization and help to give the operator a clear picture of the business. Over time, management can compare the food revenue statistics from one period to the next and use the comparisons to better detect problem areas. This comparison could be done on a weekly basis--even a daily basis if needed.

One of the problems mentioned in Chapter III concerning the RAMCAS system procedures is the time lag involved before

financial statements are received. As noted, these RAMCAS statements are not received until about the 25th day of the following month of the close-out period. This does not allow management to be as responsive as it could be. Accounting information should be timely as well as accurate. Fortunately, the accounting office has found a way around this problem. They formulate manual financial statements that give them a good idea of where they stand at the end of each month. By doing this, management knows its overall status without having to wait until the following month for the computer generated financial statements.

In summary, there are several alternatives open to the Commissioned Officers' and Faculty Club. One of these that would enhance RAMCAS is the use of more subsidiary accounts. Utilization of subsidiary accounts would enable management to more easily pinpoint trouble areas and to make use of departmental analysis. Another option available is the use of food revenue statistics. The use of these statistics would enhance evaluation of various club operations. Additionally, employees' meal costs should be considered in the accounting process so that an accurate picture of true food cost can be revealed.

V. DATA COLLECTION SYSTEM FOR COSTS

Management control "is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives." [Ref. 11:p. 2] A more specific area is that of accounting control. Accounting control "comprises the methods and procedures that are mainly concerned with the authorization of transactions, the safeguarding of assets, and the accuracy of the accounting records." [Ref. 1:p. 910] If accounting controls are effective, they can help to increase an organization's efficiency and prevent waste, errors, and fraud. Thus, the purpose of the controls is to provide managers with exact information concerning the financial operation of their department or function.

It should be realized that controls are a normal and positive force. Evaluation of results and feedback of this information to those managers who can most influence future results is a natural phenomenon. The doctor checks his patients; the cook watches the cake in the oven. The information received may be good or bad and the corrective action, as a result, may be encouragement or restraint. Thus, controls are a normal process in achieving desired results.

Another point to be made is that a manager, whether he/she likes it or not, must be deeply involved in control. The idea is that the manager can achieve results best not by increasing the time he/she personally spends controlling, but by carefully designing the controls to be used by employees, and then watching these control mechanisms. [Ref. 12:pp. 12-25]

Control information should be communicated promptly to the people who can act on it. The manager, i.e., the club manager in this case, will need to respond to the information received--and the sooner the better. Besides, it is important to promote the manager's sense of responsibility for achieving the best results possible. The control information that the manager receives should be in enough detail so that problem areas can be identified. The club manager's supervisor should also receive control information. Receiving the information in a summarized format and at a later time should probably be adequate for the supervisor for routine operations. It is the club manager who should play the important role here. [Ref. 12:pp. 12-25]

There are some basic essentials of a control system. A cost control system should be designed to give management the detailed information it needs for an automatic system of checks and balances of its money, material and employees.

The five basic characteristics of a cost control system are:

[Ref. 2:pp. 1-3]

- (1) A cost objective for each department or function,
- (2) A knowledge, by management, of actions and procedures necessary to achieve the cost objective,
- (3) Prompt and accurate information on organization progress,
- (4) Ability of management to evaluate the information received,
- (5) Ability of management to follow up and take remedial action as necessary.

Thus, the primary purpose of control is to bring actual results as close as possible to desired results.

These five characteristics of control "should be applied to the following transactions" [Ref. 13:p. 7-3] of a food organization:

- (1) Disbursement of cash,
- (2) Receipt of cash.
- (3) Purchase of provisions and supplies,
- (4) Issue of provisions and supplies,
- (5) Inventories.

It should be noted that these transactions are primary transition points in the money and material handling process.

Keep in mind also that too much control information can smother an organizational system. The art is to pick strategic control spots to provide adequate checks and warnings. This concept has been a guideline in the

discussion that follows on the club's controls. The goal has been to keep things as simple as possible.

An intention of this thesis was to evaluate the costs involved with club operations, but faulty cost control procedures made this impossible to do. There is no benefit to evaluating what costs are (i.e., fixed cost of opening the doors, break even analysis, etc.) if the figures you derive from your analysis are inaccurate. So instead, this research will suggest ways that some set standards can be implemented so that reliable cost data can be collected. Subsequently, after a period of time has passed, accurate data will have been collected and a viable analysis can be made.

The crux of the problem lies with the control and accountability of the final product that is sold i.e., a menu item. As a means of looking at the sales product in a logical manner, it will be tracked from the beginning to the end. In other words, controls will be viewed from the time the raw goods arrive at the loading dock at the Naval Postgraduate School to the time they are sold to the customer in the dining room. The critical points in the tracking of a food item are anytime there is a transition point (when goods go from one set of hands to another). It is at these transition points that there must be some type of control procedures set up that will enable management to account for 100 percent of that good anywhere along its

processing chain. The transition points that will be looked at are: (1) receiving of goods at the loading dock, (2) food break-out from the storeroom, (3) food preparation, (4) food serving, and (5) recording of the sale made and collection of money from the customer.

One problem that was noted with the system procedures at the Commissioned Officers' and Faculty Club was the fact that the person who receives and signs for goods at the loading dock is the same person who is in charge of the storeroom that makes out the purchasing request. This is not good for control purposes.

It is desirable, if possible, to prevent persons who authorize transactions from having control over the related asset. The authorizations of a transaction and the handling of the related asset by the same person increases the possibility of fraud within the organization. [Ref. 14:p. 274]

Even though an organization has competent, trustworthy personnel it is still a smart practice to ensure adequate segregation of duties. [Ref. 14:pp. 273-277]

Proper controls must also be utilized when food is broken out of the storeroom. Again, this is just good business--even when you have trustworthy personnel. Control is maintained here by use of a Mess Requisition or NAVCOMPT 2214. This form is filled out when goods are needed in the kitchen. The goods are broken out, sent to the kitchen, and signed for. The original of the form is then forwarded to the accounting office for posting to the accounts.

This is basically how the system currently works at the Naval Postgraduate School. One minor detail was noted that may need to be changed if additional subsidiary accounts are to be set up. Currently, mess requisitions may cover goods that are needed for one day, two days, or possibly three days. There is no indication for which meals or functions goods are being requested. This could be changed simply by annotating to the side, in a column or "check off" type block, if the items requested are for dinner in the dining room or a catering function or whatever. Such an annotation would be helpful.

Along these same lines, the head chef should be able to tell the purchasing agent what is needed and eventually receive these goods from the storeroom via a mess requisition. Research showed that currently the storeroom person, who also writes up the purchase order, is the person who decides what to buy. Although there is some coordination taking place, it is essentially the storeroom keeper that decides what to purchase. The head chef should have more input and control over this. It should not be left up just to the storeroom keeper to decide to purchase goods when he/she is running low. The head chef should be allowed more direct input to the purchasing agent. Control would still be maintained by use of the mess requisition forms.

During the food preparation phase, cost controls are again needed. First of all, management should see to it that all food broken out for the meal is, indeed, prepared. This would probably be an appropriate task for the club manager. It could be done at the same time the menu work sheet or scatter sheet is checked. A chef's work sheet or scatter sheet provides detailed information about each meal prepared. An example of a scatter sheet can be found in Appendix B. Research showed no use of scatter sheets in the club's kitchen. Meals were simply prepared in accordance with a monthly menu, a catering schedule, and through the use of 100 portion standardized recipes. [Ref. 2:p. 2-13]

"Scatter sheet control systems shall be used to determine the accuracy of the total daily food costs, and may indicate that corrective action is necessary." [Ref. 2:p. 2-13] It is also recommended that scatter sheets be prepared on a daily basis. Further, specific instructions concerning scatter sheets can be found in BUPERSINST 7010.13. Scatter sheets can be an effective management tool. [Ref. 2:pp. 2-1--2-29]

One of the things a scatter sheet allows management to do is to actually go through and verify that the items on the scatter sheet are all the items that appear on the menu. Something else along this line that should be checked is the amount of leftovers. A club manager should verify that the quantity of leftovers plus the quantity of meals served is

equivalent to the total amount of food that was broken out for the meal. It is obvious that such checks should be made periodically as a means to prevent fraud. However, it may be essential that some high cost menu items be designated as "sensitive" items and should be reconciled in this manner daily so that the entire quantity can be completely accounted for. Items like prime rib or shrimp would fall into this category. Such a reconciliation can be done fairly quickly and be very beneficial. [Ref. 15:p. 5]

Additionally, more efficiency could be promoted in food preparation by noting the quantity of leftovers and the number of customers for each meal. Some forecasting from the scatter sheets and food revenue statistics should be considered in meal preparation.

The last two transaction points to be considered are food service and the collection of money for the sale of the menu items. These two transition points can be controlled overall by use of an effective customer check system. The basic steps of a customer check system are that a customer check should be correctly filled out when an order is taken by the waiter/waitress. A copy of this customer check should go to the kitchen; and another copy should be retained by the cashier upon payment.

The customer check is a control system which assures management "that (1) patrons receive what they pay for, (2) patrons pay for what they receive, and (3) the cashier

receives payment for all meals served--for recording on the cash register." [Ref. 16:p. 23] To function as an effective control system, customer checks should be adequately safeguarded. It is also required that they be made in duplicate, pre-numbered, and controlled. They should be issued to employees for the shift by use of control or serial numbers and some sort of sign-out procedure, perhaps, in the form of a daily log. Such a sign-out sheet can be seen in Appendix B. A sign-out sheet for customer checks establishes accountability so that if a check is missing, it can be traced to an individual employee. Management is required "to record the serial number of customer checks issued to each employee and those returned at the end of the shift." [Ref. 2:p. 23] In the absence of these effective controls, there is inadequate protection also against losses arising from unpaid meals.

Thus, the customer checks must be controlled and some person in management must supervise and reconcile them so that all checks are accounted for, and that the guest check copy at the register coincides, in dollar amount and quantity, with the kitchen copy of the guest check. Management should also check to see that the food quantity dispensed from the kitchen coincides with the sales transactions (customer checks) made that shift. This can be done at the same time that the leftovers are checked, as previously discussed.

Currently, customer checks are signed for by employees by serial number at the Commissioned Officers' and Faculty Club.¹¹ As an illustration of how the customer checks are utilized at the club, the author of this research can recall at least eight different occasions in the past year when a meal was paid for without being accompanied by a customer check. This is all that needs to be said about the current customer check system. It is not being used properly and is therefore ineffective as a control system. The basic procedures do exist to control the customer checks, but there is no "follow-up" on the procedures. The customer checks are being logged out properly, and according to management, a reconciliation is performed of checks logged out so that all customer checks are accounted for. It would appear that some checks may be "filled in" at the end of the shift for this to be happening. If a customer check is not filled out when an order is taken, accurate control information is impossible. The kitchen has no record of the meal prepared and neither does the cashier. It makes it very convenient for a customer to walk out the door without paying. To prevent this, there should be some type of three way reconciliation between the kitchen copy of the customer check, the waiter/waitress copy of the customer check, and the cashier copy of the customer check after each meal. Any

¹¹Based on interview with Dick Crawford, Recreation Services Director, 16 May 1988.

discrepancies would then be noted and could be investigated. The bottom line is that all aspects of a customer check system must be adhered to if the system is to be effective.

In summary, data needs to be collected at various transition points in the food processing chain to maintain management control. This is not being done in all cases. Some insight has been provided on what data needs to be used and by what means it should be collected. More detailed information concerning such controls can be found in BUPERINST 7010.13. It should be noted that if controls are to work, "desired results must be defined in measurable terms and linked to results attributable to specific individuals." [Ref. 11:p. 38]

VI. RECOMMENDATIONS AND CONCLUSIONS

There are several critical factors to consider in managing a club. Some of these will be discussed now--even though they do not specifically relate to accounting practices. For example, the individuality of a club must be considered. There are factors that affect the individuality of a club and these should be borne in mind when making policy decisions. These factors are the mission of the installation, the composition of the membership, the impact of the local culture, and the climate of the off-duty activities of the clientele. [Ref. 17:pp. 1-3]

Bear in mind that a club program must be dynamic and ever-changing in order to accommodate the changing desires of club members. This must be done through a competitive but adequate pricing structure that will result in sufficient income to meet costs of goods and personnel services. Clubs must be managed to meet both present and future challenges. This will be an increasingly difficult task with the impact of present and anticipated future budget cuts.

A. SUMMARY

This thesis has taken a critical look at RAMCAS, the current accounting system, at the Commissioned Officers' and Faculty Club. It has found this system to be very efficient

and effective for external financial reporting purposes. RAMCAS provides summarized financial information and uniformity of reporting. However, it does not provide management with enough detailed information with respect to a breakdown of functional areas and daily operations. A local memorandum accounting system should be implemented to do this. Such an accounting system would provide management with detailed information on a frequent basis that would enhance decision-making.

In doing this research, information requirements for management were considered and compared with information that the management currently receives. As a result, specific suggestions have been made to enhance the club's accounting system. It has been recommended that each functional area have separate subsidiary accounts and that financial data be maintained for each of these functions. In other words, catering would have a separate set of subsidiary accounts; similarly, with the dining rooms and the bar. These would be kept for local management purposes only so that well informed decisions can be made concerning operations. Each pertinent manager would be able to see how his/her area is performing financially. The use of subsidiary accounts would provide this detail. Once implemented, they would merely become another daily routine of accounting and provide practical data that is tailored to the organization's needs.

Another major area of concern that was noted in this research was a weakness in the cost control systems of the club. Not enough data concerning cost procedures are being maintained and controlled. In this research, procedures were analyzed from beginning to end--from the time raw goods arrive at the loading dock at the Naval Postgraduate School to the time they are sold in the dining room. Transition points in this process were the focus of attention. It was determined that kitchen meal procedures are not documented. A work sheet or "scatter sheet," such as shown in Appendix B, would correct this problem. It would be a means of ensuring accountability procedures in food break-out, food preparation, and serving when accompanied with appropriate supervision.

Additionally, another weak control area noted was the customer check system. Observation proved the customer check system, as it is now operating, to be ineffective. Customer checks should be pre-numbered and controlled by means of a sign-out log so that responsibility can be specifically pinpointed. A three-way reconciliation of the customer checks was suggested to prevent fraud and loss. The kitchen copy of the customer check, the cashier copy of the customer check, and cash register tape and funds should be reconciled after each meal by management and discrepancies noted. This is the best way to ensure customer service (i.e., the customer received what he

ordered), the kitchen prepared what it was supposed to, and that proper payment was received for the menu items.

The customer check, along with additional data, can be utilized to calculate some informative food revenue statistics. These food revenue statistics, to include samples of their calculations, were discussed: average check per customer, average daily customer turnover per seat, average revenue per waiter/waitress, and average daily number of customer per waiter/waitress. Once such information is collected and maintained over a period of time in a database, comparisons can be made routinely and trends duly noted. Such information provides factual data upon which management can act if necessary.

Essentially, effective management depends on effective decision making. It should be noted that where appropriate information is not available, appropriate action can not be taken. This is the case in the accounting and cost control systems of the club. This research has attempted to fill in the gaps and offer a means of tailoring the accounting system to meet the internal needs of management.

B. RECOMMENDATIONS

The following recommendations are made as a result of this research.

1. Recommendation One

It is recommended that subsidiary accounts, as described, be initialized for the various club dining locations/functions.

2. Discussion

RAMCAS is viewed as a minimum requirement for financial reporting purposes. Other means are necessary in a large operation to ensure that accounting procedures are detailed enough to provide management with information that is useful for decision-making. The use of subsidiary accounts is one way of doing this. Once these are set up and a system is established to keep them up to date, management will be able to tell at any point in time how a particular functional area is doing.

"It is DOD policy that available resources be administered through sound financial management practices in an economical, efficient, and businesslike manner." [Ref. 7:p. A1] This means management must be able to make the correct decisions concerning its resources. In order to do this, management must have detailed information concerning its operations. A memorandum accounting system, comprised of subsidiary accounts, can provide this needed information.

3. Recommendation Two

It is recommended that a data collection system and controls be implemented to help monitor costs.

4. Discussion

A data collection system that includes scatter sheets, food revenue statistics, and all documentation along the food processing chain should be implemented. It appears that in the past the club has been able to function on a hit-and-miss type method of operation. It is not advisable that this continue. Special care must be taken to control food, its preparation, and employees. One way this can be done is through thorough documentation, careful maintenance of data records, and good supervision.

A system of controls

...shall be developed, implemented, and maintained to ensure effectiveness...and the efficiency and the economy of operations; to safeguard assets; to ensure the propriety of receipts and disbursements; and to ensure the accuracy and reliability of records. [Ref. 7:p. A4]

Control information is necessary to an organization to promote efficiency and must be complied with by both employees and management in order to function properly. The various controls described in this research are the minimum suggested for implementation. They provide basic feedback data for management; anything less does not provide the data necessary for the manager to detect possible problems.

C. CONCLUSIONS

The research conducted in writing this thesis has shown that RAMCAS is an effective accounting system for overall external financial reporting. It does what it was designed to do. It provides basic financial reporting and uniformity

in reporting. As implemented, it does provide good summary financial information for the Commissioned Officers' and Faculty Club, but there is not enough detailed information to support decision-making. Implementation of some local accounting procedures, accompanied by a data collection system for cost controls, can amplify the accounting information input into RAMCAS to help management. This is necessary because management should use its accounting information for more than just reporting purposes. It should be used to help make managerial decisions.

APPENDIX A

MAIN MENUS AND CATERING MENUS

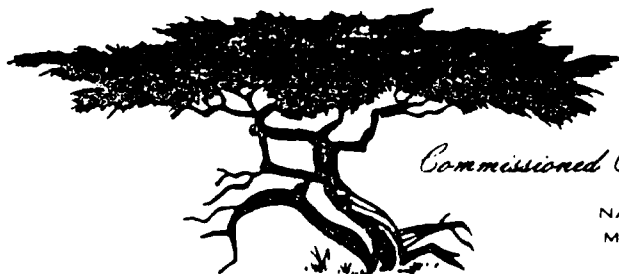
This appendix contains the main menus and the catering menus of the Commissioned Officers' and Faculty Club at the Naval Postgraduate School. First, the regular breakfast and dinner menus are presented; these are followed by the various catering menus.

441 GOOD MORNING



Please check off what you
would like for Breakfast

- | | | |
|---|--|---|
| FRUIT JUICES | Small \$0.50 | Large \$0.60 |
| <input type="checkbox"/> ORANGE | <input type="checkbox"/> PINEAPPLE | <input type="checkbox"/> GRAPEFRUIT |
| DRY CEREALS | with milk \$0.90 | |
| <input type="checkbox"/> WHEATIES | <input type="checkbox"/> RAISIN BRAN | <input type="checkbox"/> CORNFLAKES |
| <input type="checkbox"/> RICE KRISPIES | <input type="checkbox"/> SHREDDED WHEAT | <input type="checkbox"/> CHEERIOS |
| BOWL OF FRUIT \$0.60 | | |
| PASTRIES | | |
| <input type="checkbox"/> DOUGHNUTS \$0.40 | <input type="checkbox"/> CROISSANTS \$0.60 | <input type="checkbox"/> OTHER \$0.60 |
| EGGS \$1.05 | | |
| <input type="checkbox"/> SUNNYSIDE UP | <input type="checkbox"/> OVER EASY | <input type="checkbox"/> SCRAMBLED |
| <input type="checkbox"/> SOFT BOILED | <input type="checkbox"/> 3-MIN | |
| OMELET \$1.50 | | |
| <input type="checkbox"/> CHEESE | <input type="checkbox"/> WESTERN | <input type="checkbox"/> SPANISH |
| PANCAKES \$1.00 | | |
| <input type="checkbox"/> HOMEMADE | <input type="checkbox"/> BUCKWHEAT | <input type="checkbox"/> FRENCH TOAST |
| MEATS | | |
| <input type="checkbox"/> HAM SLICE \$0.80 | <input type="checkbox"/> SAUSAGE \$0.75 | <input type="checkbox"/> BACON \$0.75 |
| POTATOES \$0.25 | | |
| <input type="checkbox"/> HASH BROWNS | | <input type="checkbox"/> WHEAT TOAST \$0.30 |
| <input type="checkbox"/> COFFEE \$0.45 | <input type="checkbox"/> TEA \$0.45 | <input type="checkbox"/> WHITE TOAST \$0.30 |
| <input type="checkbox"/> DECAF \$0.45 | <input type="checkbox"/> MILK \$0.55 | |



Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943

SATURDAY thru THURSDAY 1700 - 2030
FRIDAY 1700 - 2000

* APPETIZERS *

Shrimp Cocktail	\$ 3.90	Stuffed Mushrooms	\$ 2.65
French Onion Soup	\$ 1.50	California Fruit Boat	\$ 2.75

* ENTREES *

ALL DINNERS INCLUDE:

Salad Bar, Choice of Baked Potato, French Fries or Seasoned Rice,
Choice of Vegetable, and Dinner Rolls, Coffee or Tea

COMPLIMENTS OF THE HOUSE - Cruch Cheese and Bread Sticks

ROAST PRIME RIB AU JUS	\$ 9.00
Full Cut - 10 oz	
Large Cut - 14 oz	\$ 11.50
FILET MIGNON	\$ 12.50
Center cut, 8oz cut choice Beef Tenderloin wrapped in Bacon and broiled to order.	
NEW YORK STEAK	\$ 9.55
Well-trimmed 10oz cut of choice Beef, broiled to order.	
CALAMARI STEAK	\$ 7.75
8oz cut of Calamari, lightly sauteed in Butter and Lemon Juice.	
FILET OF RED SNAPPER	\$ 7.25
From Monterey Bay, Egg dipped and grilled in light Vegetable Oil.	
COR AU VIN	\$ 7.50
10oz boneless Chicken Breast cooked in Wine, Mushrooms and Green Onions.	
LAMB CHOPS	\$ 8.95
Two center-cut Loin Chops broiled to perfection and served with Mint Jelly.	
STUFFED PORK CHOPS	\$ 7.25
12oz extra-thick cut of Pork Loin, stuffed with savory Bread Dressing.	
DEEP-FRIED SHRIMP W/COCKTAIL SAUCE	\$ 7.25
12 per order	



Commissioned Officers and Faculty Club

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SCAMPI	\$ 11.50
Six jumbo Prawns sauteed in Garlic Butter.	
VEAL PARMESAN	\$ 7.90
Breaded Veal Cutlet topped with our own Italian sauce and Parmesan Cheese.	
FETTUCINI ALFREDO	\$ 5.75
Large tender Pasta, heavy Cream, Cheese and fresh Herbs make this a favorite.	
STIR-FRIED BEEF	\$ 7.75
Marinated Sirloin Tips with Mushrooms, Pearl Onions, Broccoli and Water Chestnuts.	

** A LA CARTE **

CLUB SANDWICH	\$ 3.50
Turkey, Bacon, Swiss Cheese, Lettuce and Tomatos on toasted whole Wheat Bread, served with Potato Salad.	
OPEN-FACED PRIME ROB SANDWICH AU JUS	\$ 4.90
Sourdough Bread served with French Fries.	
CHEF SALAD	\$ 4.50
FETTUCINI	\$ 2.95
FRENCH ONION SOUP	\$ 1.50
SOUP AND SALAD BAR	\$ 3.25

** OUR CHILDREN'S MENU **

&

** THE YOUNG AT HEART **

(Served with French Fries)

HAMBURGER DELUXE	\$ 2.00
Quarter pounder, all Beef	
HOT DOG	\$ 2.00
CHICKEN NUGGETS W/SAUCE	\$ 3.50



Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943

• SIDE ORDERS •

Soup of the Day	\$.65
Baked Potato	\$.70
Vegetable of the Day	\$.50
Sauteed Mushrooms	\$ 1.90
French Fries	\$.65
Onion Rings	\$ 1.10
Seasoned Rice	\$.95
Basket of Dinner Rolls (6)	\$ 1.45

• DESSERTS •

Cheesecake	\$.60
Carrot Cake	\$.60
Assorted Fruit Pies	\$.50
Apple, Cherry, Blueberry	
Ice Cream	\$.50
Chocolate, Vanilla, Strawberry	
Sherbet	\$.50
Rainbow, Lime, Raspberry	
CLUB SPECIAL - Pecan Pie	\$.75

•• HOUSE WINE AVAILABLE UPON REQUEST ••

Charles Rose Burgundy	
GLASS	\$ 1.00
CARAFE	\$ 6.00



Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943
PHONE: 408-372-1339

The Commissioned Officers & Faculty Club takes pleasure in helping plan your social event. Our personnel are experts in this field and they take pride in creating a festive and gala atmosphere.

This brochure has been prepared for your convenience and contains various menu suggestions. Should you desire items which are not listed, please feel free to inquire as to their availability.

* GENERAL RULES AND REGULATIONS *

Menus, room arrangements and other requirements should be submitted to the Catering Department three weeks prior to the function.

Entree selection on all dinner menus is limited to two choices for parties of 50 or less. Parties of 50 or more have choice of one entree only. A color code is required to designate entree choice.

The following is an excerpt from the Manual for Messes Ashore. (NAVPERS 15951)

1001. AUTHORIZED ACTIVITIES. Food Service. (food may be sold only in its prepared form). No food or alcoholic and non-alcoholic beverages intended for consumption in the mess may be brought into the mess by patrons or groups. Ceremonial cakes, such as weddings, birthdays, graduations, etc., is the only exception to this rule.

The Club requires a firm number of guest at least one week in advance. A final number of guest must be submitted at least 48 hours in advance of the function. A five percent variation will be allowed except for cocktail parties.

The Host will be charged for everyone who attends but not less than 95% of the guaranteed number for all functions except cocktail parties. If no confirmed or guaranteed number is given within the specified period, the estimated number will be considered the actual number and charges will be made accordingly.

A contract containing arrangements, prices, and a certification by the Host is required in all instances. The contract must be signed one (1) week in advance by the Host

A 20% Service Charge will be added to the total bill.



Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943
PHONE: 408-372-1339

All outside organizations must write to the Commanding Officer for a Letter of Approval for use of the Club facilities.

All groups that intend to invite media to attend their program must first contact the NPS Public Affairs Officer, Code 042 - Phone number: 408-646-2023

There will be a \$50.00 Cleaning Charge for throwing rice or other other material in the Club.

There is no rental fee for use of the rooms, however there is a Janitorial Fee for the Barbara McNitt Ballroom. Charges are \$50.00 for half, and \$100.00 for the whole Ballroom. Our rooms are available for meetings at no cost, but if a set-up is involved, there will be a minimum Labor Charge of \$15.00 an hour.

No signs or paraphernalia of any type will be posted or hung on the Naval Postgraduate School grounds. There will be an additional fee of \$50.00 if violated.

The Club does not require a deposit and will bill you after your function has taken place. Payment of the total balance due is payable within 15 days to the CSSO Accounting Office.

PICK-UP ORDERS

Pick-up orders are available provided they are ordered ten (10) days in advance and are selected from our cocktail food menu. The contract must also be signed in advance. Notice of cancellation should be given at least 48 hours prior to the scheduled date, otherwise, the patron will be obligated to defray all cost incurred.

GOLF COURSE CLUBHOUSE

The Golf Course Clubhouse is available for cocktail parties only. There is a minimum of 40 people and a maximum of 100. The Clubhouse is available for evenings only starting at 6:00 p.m., seven (7) nights a week. There is a Security Guard Charge \$7.50 per hour. (for a 2 hour party: \$30.00 charge. The Guard will be on duty an hour before and after the function.) The same rules and regulations apply as to the Commissioned Officers Mess.

Catering Manager: Don Wollman
Catering Secretary: Shirley Cruz
Phone: 408-372-0875
Business Hours: 8:00 a.m. - 4:30 p.m. (Monday thru Friday)
Saturday: appointments only



John D. Jones

Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943
PHONE: 408-372-1339

EFFECTIVE DATE: 1 APRIL 1988

COCKTAIL PARTY FOOD

Group Selections

(quantities depend on the number of people)
(price per person)

1. Deviled Eggs
Stuffed Celery
Canape Tray
Choice of one: Swedish Meatballs
Sweet & Sour Meatballs
3.10
2. Chicken (or) Seafood Carolines
Roast Beef
Baked Ham
Dinner Rolls (or) Party French & Rye
Vegetable Tray w/Dip
Choice of one: Cocktail Franks w/Mustard Sauce
Swedish Meatballs
Sweet & Sour Meatballs
4.45
3. Chicken Livers (or) Chestnuts wrapped in Bacon
Vegetable tray w/Dip (or) Deviled Eggs & Stuffed Celery
Roast Beef
Baked Ham
Teriyaki Chunks
Dinner Rolls (or) Party French & Rye
Fresh Fruit Boat w/Dip
Choice of one: Sautéed Mushrooms
Sweet & Sour Meatballs
Swedish Meatballs
5.75
4. Baked Ham
Roast Beef
Turkey
Dinner Rolls (or) Party French & Rye
Fruit Boat
Vegetable Tray w/Dip
Chicken Nuggets w/Sauce Dip
Cheeseboard w/Crackers
Deviled Eggs
Teriyaki Chunks
Mixed Nuts (or) Chips & Dip
Choice of two: Spanish Meatballs
Stroganoff Meatballs
Sweet & Sour Meatballs
Swedish Meatballs
Bar-BQ Meatballs
7.25
(minimum of 50 guest)
5. Hot Canape Tray
Cold Canape Tray
Smoked Fish Tray w/Crackers
Fruit Boat w/Dip
Vegetable Tray w/Dip
Brie Cheese Tray w/Toast Rounds
Assorted Finger Sandwiches
Lumpia
Beef Teriyaki Sticks
Chicken Livers wrapped in Bacon
Chestnuts wrapped in Bacon
Dinner Rolls
Choice of one: Filet Mignon (carved)
Cold Shrimp w/Sauce
Shrimp Tempura
8.45
(minimum of 50 guest)

** 20% Service Charge will be added to the above prices **

A LA CARTE SELECTIONS

COLD HORS D'OEUVRES

Ham	6.30/lb		
Roast Beef	7.60/lb		
Turkey	7.60/lb		
Salami	7.60/lb		
Brie Cheese w/Toast Rounds	21.00/tray	Deviled Eggs	.30/each
Cheeseboard w/Crackers	31.00/tray	Finger Sandwiches	.45/each
Canapes (small)	28.50/tray	Fruit Boat w/Dip (in season)	31.00/each
Canapes (large)	34.20/tray	Ham Rolls	.70/each
Chicken Carolines	.75/each	Smoked Fish Tray w/Crackers	28.50/each
Seafood Carolines	.75/each	Stuffed Celery	9.00/tray
Chips & Dip	6.25/order	Vegetable Tray w/Dip (small)	17.00/tray
Cold Prawns w/Cocktail Sauce	18.00/lb	Vegetable Tray w/Dip (large)	22.75/tray

HOT HORS D'OEUVRES

Assorted Puff Canapes	1.10/each	Fish Puff Balls w/Sauce	5.90/lb
Baron of Beef (carved)	7.60/lb	Lumpia	.85/each
Beef Teriyaki Sticks	1.15/each	Sauteed Mushrooms	3.75/lb
Chestnuts wrapped in Bacon	.60/each	Shrimp Tempura	19.95/lb
Chicken Livers wrapped in Bacon	.60/each	Bar-BQ Meatballs	5.30/lb
Chicken Drumettes	.65/each	Spanish Meatballs	5.30/lb
Chicken Nuggets w/Sauce Dip	8.75/lb	Stroganoff Meatballs	5.30/lb
Cocktail Franks	6.75/lb	Swedish Meatballs	5.30/lb
Chili Conqueso w/Corn Chips	14.25/order	Sweet & Sour Meatballs	5.30/lb
Filet Mignon (carved)	25.00/lb	Swiss Fondue w/Bread Cubes	13.85/order
		Teriyaki Chunks	7.80/lb

SERVED WARM

Dinner Rolls	3.75/doz
Large Soft Pretzels	.65/each

SERVED AT ROOM TEMPERATURE

Mixed Nuts	9.50/lb
Party French & Rye Bread	8.00/tray
Petite Quiche Lorraine (bite-size)	28.50/per 50 pieces

Labor Charge for Meat Carver: \$15.75 —for a two hour party—

** 20% Service Charge will be added to the above prices **

Beverages

NO-HOST

Well Drinks	1.60
Domestic Beer	1.50
Imported Beer	2.00
Martini	1.90

Wine	1.30 (per glass)
Soft Drinks	.75
Juices	.90

HOSTED

Our bartender is issued a full stock of liquor, all full bottles before the party. At the end of each party the remainder in each bottle is inventoried and you are charged \$1.50 per ounce, plus any juices, mixes, and garnishes. Total liquor consumption is charged to your party contract. Call Brands are available upon request and will be priced according to brand.

FOR YOU INFORMATION

There is no Bartender Fee on No-Host Bars whose sales exceed \$75.00 in a 2-hour period. A \$25.00 Bartender Fee is added if sales are less than \$75.00 in a 2-hour period.

There will be one bartender for every sixty persons in attendance.

PARTY PUNCHES

CHAMPAGNE PUNCH (brandy, sauterne, ginger ale, champagne)	25.00 gal
ARTILLERY PUNCH (bourbon, brandy, sherry, claret, spices)	37.50 gal
WINE PUNCH (wines, mixes)	11.40 gal
STRAWBERRY CHAMPAGNE PUNCH (vodka, strawberry wine, champagne)	37.50 gal
FRUIT PUNCH (orange juice, pineapple juice, club soda)	8.00 gal

CHAMPAGNE

JACQUES BONET CALIFORNIA CHAMPAGNE	6.10 btl	KORBEL BRUT	13.75 btl
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HOUSE WINE: GALLO - WYCLIFF

CHABLIS	ROSE	BURGUNDY
6.00 carafe		

** wine list available upon request **

KEG OF BEER: \$70.00 (225 servings)

PONY KEG: \$49.55 (100 servings)



Breakfast

Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943
PHONE: 408-372-1339

EFFECTIVE DATE: 1 APRIL 1988

BRUNCH

(choice of one each)

1. Fruit Sticks
Fruit Juice
Fruit Compote

4. Crisp Bacon
Sausage
Grilled Ham (.25¢ extra)

2. Danish Pastry
Assorted Muffins
Toast w/butter & jelly

3. Scrambled Eggs
Spanish Omelet
Cheese Omelet

INCLUDES
Hash Brown Potatoes
Coffee & Tea

SERVED - \$4.60 per person

BUFFET STYLE - \$4.95 per person

** 20% Service Charge will be added to the above prices **

COFFEE BREAK REFRESHMENTS

(price per person)

Coffee & Tea	.60	Domestic Sherry	1.00
Coffee, Tea, Assorted Danish Pastries	1.10	Soft Drinks	.75
Coffee, Tea, Assorted Danish Pastries		Juices	.85
Fresh Fruit (or) Juice (Fruit Stick: .25¢ extra)	2.50	Wine (liter)	6.00
Coffee, Tea, Fresh Fruit Sticks, Assorted Danish Pastries, Quiche Lorraine	4.25	Beer (bottles & domestic)	1.45
Coffee, Tea, Assorted Cookies	.90		
Coffee, Tea, Assorted French Pastries	1.35		

** 10% Service Charge will be added to the above prices **



Luncheon

Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943
PHONE: 408-372-1339

EFFECTIVE DATE: 1 APRIL 1988

COLD PLATE

ALL SALADS INCLUDE
Rolls & Butter, Coffee & Tea

(choice of one)

Soup Du Jour
Hot Consume w/sherry

(OR)

Ice Cream
Sherbet

Chicken Salad in Avocado
7.50

Seafood Salad in Avocado
9.00

Chicken Salad in Pineapple
8.75

Seafood Louie
9.40

Chef's Salad
5.75

HOT PLATE

ALL ENTREES INCLUDE
Vegetables, Rolls & Buter
Coffee & Tea

(choice of one)

Tossed Green Salad w/dressing
(ranch, thousand island, blue cheese
vinaigrette)

(OR)

Ice Cream
Sherbet

POTATO OR RICE

Mashed Potatoes w/gravy
Rice Pilaf

Au Gratin Potatoes(.25¢ extra) Sweet Potatoes
Steamed Rice

Steak Sandwich w/french fries 6.35

Pot Roast of Beef 7.25

Chicken Salana w/pineapple 5.75

Ham Steak Hawaii 6.65

Chicken a la King 6.90

Filet of Sole 6.35

** 20% Service Charge will be added to the above prices **

(served Monday thru Friday)

CLUB SPECIAL: HOT MEAL OF THE DAY

ROLLS & BUTTER

COFFEE TEA \$4.55

(choice of one)

Tossed Green Salad w/dressing
(ranch, thousand island, blue cheese,
vinaigrette)

(OR)

Ice Cream

Sherbet

** 20% Service Charge will be added to the above price **

STUDENT AND STAFF SELF-SERVICE LUNCHEON

Assorted Sandwiches
Coffee Tea Water Iced Tea
\$3.00

Assorted Sandwiches
Fruit Pie
Coffee Tea Water Iced Tea
\$3.65

Chef's Salad
Rolls & Butter
Coffee Tea Water Iced Tea
\$4.25

ADDITIONAL ITEMS: Potato Chips: .20¢
(extra charge)

Soup Du Jour: .50¢

** 10% Service Charge will be added to the above prices **

— Buffet —

Baron of Beef (pre-sliced)
Mashed (or) Au Gratin Potatoes
Vegetables

\$8.75

Fried Chicken
Mashed Potatoes w/Gravy
Vegetables

\$7.40

Roast Tom Turkey & Gravy
Stuffing
Cranberry Sauce
Mashed (or) Sweet Potatoes

\$7.75

Spaghetti w/Italian Sausage
Vegetables
Garlic Bread

\$8.95

Seafood Newburg
Rice
Vegetables

\$16.25

Beef Bourguignonne
Noodles Parmesan
Vegetables

\$8.25

VEGETABLES

(choice of one)

Buttered Carrots
Mixed Vegetables

Green Peas w/Mushrooms

Green Beans Almondine
Corn w/Pimentos

INCLUDES
Salad Bar
Rolls & Butter
Coffee & Tea

(MINIMUM OF 50 GUEST)

** 20% Service Charge will be added to the above prices **



Dinner

Commissioned Officers and Faculty Club

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943
PHONE: 408-372-1339

EFFECTIVE DATE: 1 APRIL 1988

ALL ENTREES INCLUDE
Salad, Vegetable
Potato or Rice, Rolls & Butter
Coffee & Tea

(Choice of one each)

SALADS

Tossed Green Salad w/choice of dressing
(ranch, thousand island, blue cheese, vinaigrette)

*Caesar Salad: .30¢ extra

VEGETABLES

Buttered Carrots
Mixed Vegetables

Peas w/Mushrooms
Corn w/Pimentos

Green Beans Almondine
*Broccoli w/Hollandaise Sauce: .25¢ extra

POTATO OR RICE

Baked Potato w/sour cream
Rice Pilaf

*Au Gratin Potatoes: .25¢ extra
*Cavalier Potato: .30¢ extra
Steamed Rice

ENTREES

MAXIMUM CHOICE OF TWO (2) ENTREES: (PARTIES OF 50 OR MORE: ONE (1) ENTREE ONLY)

ROAST PRIME RIB OF BEEF	\$12.00	ROCK CORNISH GAME HEN	\$ 9.25
NEW YORK STEAK (14 oz, char'broiled)	12.00	(stuffed w/rice)	
TERIYAKI STEAK (cross rib marinated in oriental sauce)	10.25	½ BAKED CHICKEN W/WINE MUSHROOM SAUCE	7.75
TOP SIRLOIN (8-9 oz, char'broiled)	10.25	CHICKEN CORDON BLEU	10.25
BREADED VEAL CUTLET W/WINE SAUCE	9.25	(stuffed w/swiss cheese and canadian bacon)	
VEAL CORDON BLEU (stuffed w/swiss cheese and canadain bacon)	10.25	ROAST TOM TURKEY (dressing & cranberry sauce)	7.25
SWISS STEAK W/BROWN SAUCE AND MUSHROOMS	8.25	HAWAIIAN CHICKEN	7.50
SPAGHETTI W/ITALIAN SAUSAGE	8.75	(green peppers & onions)	
BEEF BOURGUIGNONNE W/MUSHROOMS	7.90		

DEEP FRIED JUMBO PRAWNS W/COCKTAIL SAUCE	\$14.75
GRILLED HALIBUT STEAK (lemon hollandaise sauce)	11.25
HERB BAKED ICELANDIC COD (bechamel sauce)	8.90
SHRIMP CURRY ON A BED OF RICE	11.25
SEAFOOD NEWBURG	15.75
POUCHED SALMON STEAK IN WINE	10.75

** 20% Service Charge will be added to the above dinner prices **

(price per person)

APPETIZERS

California Fruit Cup
2.00

Soup Du Jour
.65

Seafood Cocktail
5.00

Crab En Coquille
5.25

DESSERTS

Cherries Jubilee w/Whipped Cream & Stemmed Cherry
4.25

Baked Alaska
3.50

Cheesecake (slice)
.90

Carrot Cake
.85

Chocolate Layer Cake
.85

Ice Cream
.75

Rainbow Sherbet (other flavors available)
.65

Fruit Pie (apple, cherry, blueberry)
.65

Pumpkin Pie
.65

Pecan Pie
.90

Brownies
.45

Fruit Jello Parfait
1.00

Buffet

Baron of Beef (pre-sliced)
Mashed (or) Au Gratin Potatoes
Vegetables

\$8.75

Fried Chicken
Mashed Potatoes w/Gravy
Vegetables

\$7.40

Roast Tom Turkey & Gravy
Stuffing
Cranberry Sauce
Mashed (or) Sweet Potatoes

\$7.75

Spaghetti w/Italian Sausage
Vegetables
Garlic Bread

\$8.95

Seafood Newburg
Rice
Vegetables

\$16.25

Beef Bourguignonne
Noodles Parmesan
Vegetables

\$8.25

VEGETABLES

(choice of one)

Buttered Carrots
Mixed Vegetables

Green Peas w/Mushrooms

Green Beans Almondine
Corn w/Pimentos

INCLUDES
Salad Bar
Rolls & Butter
Coffee & Tea

(MINIMUM OF 50 GUEST)

** 20% Service Charge will be added to the above prices **

APPENDIX B

FINANCIAL FORMS AND RAMCAS STATEMENTS

This appendix includes examples of financial statements that are discussed in detail in Chapter III and Chapter IV. The appendix also includes examples of the RAMCAS financial statements provided by the Naval Military Personnel Command at Patuxent River, Maryland.

REGISTER NO

NAME OF DEPARTMENT

LIBRARY OF THE U.S. GOVERNMENT

0014

	ITEM NO	ITEM	AMOUNT
LINES 1 THRU 6 TO BE FILLED IN BY CASHIER	1	CASH TURNED IN (DETAIL BELOW - ITEM 20)	\$
	2	CHANGE FUND (+) (WHEN TURNED IN WITH RECEIPTS)	
	3	REFUNDS (+)	
	4	CASH SALES	
	5	CHARGE/COMMERCIAL CREDIT SALES	
	6	TOTAL SALES: SALES SLIPS OR TICKET NUMBERS _____ THRU _____	\$
PERSON VERIFY- ING CASH AND CHARGES WILL VERIFY LINES 1 2, AND 5 AND FILL IN LINES 7 THRU 11	7	CHANGE FUND	
	8	CASH RECEIPTS	
	9	TOTAL CASH VERIFIED (LINE 7 + 8 = 9)	
	10	CHARGE SALES	
	11	TOTAL VERIFIED (LINE 9 + 10 = 11)	\$
PERSON READING THE REGISTER WILL FILL IN LINES 13 THRU 18	12	CLOSING REGISTER READING	
	13	OPENING REGISTER READING	
	14	REGISTER AMOUNT (LINE 12 - 13 = 14)	
	15	OVER-RINGS (+) AND UNDER-RINGS (-)	
	16	REFUNDS (+) (TO BE USED WHEN REFUNDS ARE REFLECTED IN REGULAR REGISTER READINGS)	
	17	ADJUSTED REGISTER READING (LINE 14 + 15 + 16 = 17)	
	18	CASH OVERAGES OR SHORTAGES (CIRCLE: OVERAGE OR SHORTAGE)	\$

19 BREAKDOWN OF REVENUE (TO BE FILLED IN BY BOOKKEEPER)

20 DETAIL OF CASH TURNED IN (TO BE FILLED IN BY CASHIER)

1. SUMMARY OF REVENUE TO BE FILED IN BY BOOKKEEPER				2. DETAIL OF CASH TURNED IN TO BY TELLER IN BY TELLER					
NAME OF ACCOUNT	ACCOUNT NO.	DEBIT AMOUNT	CREDIT AMOUNT	COINS	CENTS	\$			
					NICKELS				
					DIMES				
					QUARTERS				
					HALF-DOLLARS				
				TOTAL COINS		\$			
				CURRENCY	ONE'S				
					FIVE'S				
					TEN'S				
					TWENTY'S				
TOTAL					TOTAL CURRENCY				
* SIGNED REFUND VOUCHERS WILL BE ATTACHED REMARKS: (Use reverse side if necessary)									
				CHECKS/M.O.'S	U.S. CHECKS				
					OTHER CHECKS				
					MONEY ORDERS				
					TOTAL CHECKS/M.O.'S			\$	
GRAND TOTAL CASH TURNED IN								\$	

SIGNATURE OF RE DESIGNATED TO READ MESSAGE

SIGNATURE OF PERSON DESIGNATED TO VERIFY CASE AND CHARGES:

NOTE: TO MAKE CORRECTIONS:

LINE THROUGH ERROR WRITE CORRECT AMOUNT ABOVE ERROR INITIAL AND DATE
CORRECTIONS ARE MADE ONLY BY PERSON MAKING ERROR NO CORRECTIONS WILL
BE MADE TO LINES 1 THROUGH 8

DAILY ACTIVITY RECORD SUMMARY

ACTIVITY NAME/LOCATION				SOURCE	ACTIVITY NO.	MONTH	DAY	YEAR	REPORT NO.
COMMISSIONED OFFICERS MESS U.S. NAVAL POSTGRADUATE SCHOOL MONTEREY, CALIF. 93843				20	01183				
DEBITS	ACCOUNT NUMBER	DAILY AMOUNT	MONTH TO DATE AMOUNT	SALES AND OTHER RECEIPTS CREDITS	ACCOUNT NUMBER	DAILY AMOUNT	MONTH TO DATE AMOUNT		
ACCT. REC.	131-00			FOOD	301-01				
ACCT. REC.	133-00			BAR	301-02				
CASH SHORT	912-00			OTHER RESALE	301-04				
FOOD	301-01			ACCT. REC.	131-00				
				ACCT. REC.	133-00				
				ACCT. REC.	132-00				
				OTHER DIST. REVENUE	569-00				
				CASH OVER	812-00				
				TIPS	204-00				
				TIPS	205-00				
				FICA	214-00				
				LABOR	601-01				
				LABOR	601-02				
				LABOR	601-99				
				GALLEY	151-01				
				LAUNDRY	251-00				
				WAREHOUSE	152-00				
				HEALTH PLAN	219-00				
				NAVY EXCHANGE	565-02				
AMOUNT OF DEPOSIT	101-00			API SUPPORT	551-01				
				UNEARNED INCOME	251-00				
TOTAL DEBITS									
IMPORTANT: "AMOUNT OF DEPOSIT" RECORDED IN ACCOUNT 101-00 MUST AGREE WITH ATTACHED DEPOSIT SLIP(S) OR DIRECT DEPOSIT SLIP.									
REMARKS:									
PREPARED BY				DATE		TOTAL SALES AND OTHER RECEIPTS CREDITS			
APPROVED BY				DATE					

ACTIVITY NO.	DATE	PURCHASE ORDER NO.
--------------	------	--------------------

TO:

DELIVER TO:

[illegible]

SIGNATURE OF AUTHORIZED REPRESENTATIVE

- A. Separate invoices must be rendered for each order.
- B. Do not pack invoice with merchandise; mail under separate cover.
- C. Transportation charge, when applicable, must be added to invoice.
- D. Full name and address of this activity and Purchase Order No. must appear on all documents accompanying or have reference to delivery of this order.
- E. SEE REVERSE OF THIS SHEET FOR OTHER INSTRUCTIONS.

NOTE: NOTIFY US IMMEDIATELY IF UNABLE TO COMPLETE ORDER BY REQUIRED DATE.

VENDOR COPY

★ U.S. Government Printing Office 1986-600-737

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OILS		SUMMARY OPERATIONS STATEMENT				PAGE 01	
CON AMPSCOOL MONSIEY CA		PERIOD ENDING 30 APR 1968				45/1/68	
		CURRENT MONTH	3 OF	CURRENT YTD	3 OF	LAST YTD	3 OF
		AMOUNT	SALES	AMOUNT	SALES	AMOUNT	SALES
301-XX	RESALE REVENUE	118,273.79	100.00	788,469.74	100.00	711,192.90	100.00
401-XX	COST OF GOODS SOLD	50,971.16	51.96	398,423.11	50.00	361,622.00	50.74
	GROSS PROFIT/LOSS	67,302.63	51.04	390,046.63	50.00	351,572.90	49.26
501-XX	AP	7,230.00		78,230.00		119,601.86	
	OTHER DIRECT REVENUE----						
	ADVERTISING AND PROMOTION						
	TOTAL OTHER DIRECT REVENUE						
601-XX	DIRECT EXPENSE-----						
	SALARIES AND WAGES	30,776.42	31.98	286,644.16	36.61	278,171.29	35.72
621-XX	ANNUAL LEAVE EXPENSE	2,119.55	1.79	13,432.41	1.70	13,396.42	1.70
622-XX	SICK LEAVE EXPENSE	402.60	.71	7,661.13	.92	7,498.32	1.10
641-XX	RENT AND UTILITIES	125.00	.13	2,877.60	.34	2,678.06	.34
642-XX	REPAIRS AND MAINTENANCE	160.00	.13	642.09	.08	948.44	.14
643-XX	DEPRECIATION			23,270.00	.29	6,619.10	.09
644-XX	PROPERTY TAXES	4,862.69	4.34	51,489.89	6.53	75,362.53	10.54
645-XX	TRANSPORTATION	2,464.71	2.20	16,612.36	2.11	16,049.75	2.24
646-XX	INSURANCE					244.54	.03
647-XX	ADVERTISING AND PROMOTION					1,780.10	.25
648-XX	MISCELLANEOUS EXPENSE	262.31	.23	2,574.92	.33	4,780.64	.65
649-XX	TOTAL DIRECT EXPENSE	50,322.61	44.55	411,993.26	52.21	478,064.36	62.85
701-XX	DEPARTMENTAL PROFIT/LOSS	19,013.22	16.93	60,789.39	7.71	43,110.40	6.01
801-XX	GENERAL REVENUE-----						
	APF FUNDAMENTAL						
	REVENUE	3,164.93		36,135.93		46,345.24	
901-XX	REVENUE	12,508.00		87,520.00		103,008.74	
902-XX	REVENUE			308.84		135.59	
903-XX	REVENUE	16,381.13		124,300.02		149,569.57	

CALP, HARPOSCOL MONTEREY CA		SUMMARY OPERATIONS STATEMENT		RUN DATE 05/13/78		PAGE 02	
CONTRACTS		PERIOD ENDING 12-31-1978					
		CURRENT MONTH	% OF SALES	CURRENT YTD	% OF SALES	LAST YTD	% OF SALES
		AMOUNT		AMOUNT		AMOUNT	
601-00	GENERAL & ADMIN EXPENSE---						
601-01	SALARIES & WAGES FICA	7,411.23	6.40	78,702.23	8.91	52,272.72	7.31
601-02	EMPLOYEE LEAVE EXPENSE	440.57	.54	5,909.14	.75	3,647.01	.45
601-03	STOCK LINES	148.56	.11	2,774.59	.47	4,047.92	.49
601-04	UTILITIES	3,055.00	3.12	24,933.00	3.16	24,536.00	3.13
601-05	TELEPHONE	411.70	.37	2,775.52	.35	2,556.46	.32
601-06	TELEGRAPH & POSTAGE						
601-07	REPAIRS & MAINTENANCE - OFFICES	33.42	.03	322.00	.04	225.00	.03
601-08	REPAIRS & MAINTENANCE - FACILITIES						
601-09	REPAIRS & MAINTENANCE - EQUIPMENT						
601-10	REPAIRS & MAINTENANCE - VEHICLES						
601-11	REPAIRS & MAINTENANCE - TRUCKS						
601-12	REPAIRS & MAINTENANCE - BOATS						
601-13	REPAIRS & MAINTENANCE - OTHER						
601-14	REPAIRS & MAINTENANCE - TOTAL	939.99	.37	1,780.32	.39	1,771.13	.38
601-15	COMMON SUPP. SERVICE EXPENSE	6,349.92	5.66	46,030.89	5.64	40,357.54	5.64
601-16	REPAIRS & MAINTENANCE - VEHICLES	1,190.36	1.82	8,346.61	1.82	12,238.33	1.98
601-17	REPAIRS & MAINTENANCE - FACILITIES	1,190.36	1.82	8,346.61	1.82	12,238.33	1.98
601-18	REPAIRS & MAINTENANCE - EQUIPMENT	1,190.36	1.82	8,346.61	1.82	12,238.33	1.98
601-19	REPAIRS & MAINTENANCE - TRUCKS	1,190.36	1.82	8,346.61	1.82	12,238.33	1.98
601-20	REPAIRS & MAINTENANCE - BOATS	1,190.36	1.82	8,346.61	1.82	12,238.33	1.98
601-21	REPAIRS & MAINTENANCE - OTHER	1,190.36	1.82	8,346.61	1.82	12,238.33	1.98
601-22	REPAIRS & MAINTENANCE - TOTAL	177.48	.16	2,775.52	.27	1,992.33	.24
601-23	ADVERTISING AND PROMOTION						
601-24	CONFERENCE AND TRAVEL						
601-25	CHARTERED SALES EXPENSE						
601-26	CHARTERED SALES EXPENSE						
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601-207	CHARTERED SALES EXPENSE						
601-208	CHART						

DEPARTMENTAL OPERATIONS STATEMENT
PERIOD ENDING 30 APR 1968

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COH MAYPSSCOI MONIEFY CA

21163
COM MA

[illegible]

Daily Report

Date: _____

Day:
Weather/Event:

Sales Collected	Bar	El Prado	El Rancho
<u>By Source:</u>			

Food Sales:
 Buffet/Line
 Regular Menu
 Salad Bar

Beverage Sales:
 Liquor
 Beer
 Wine
 Soda, Other

Totals

Customers Served:
Meal Period
Breakfast
Lunch
Dinner

SCATTER SHEET

BUPERSINST 7010.13

6 APR 1978

DATE: FROM _____ THRU _____

SALES PRICE	MENU ITEM	TIMES SOLD	TOTAL	SALES VALUE
	25% COST			
\$4.00	CHOPPED STEAK	13		\$60.00
4.10	CHEF'S SALAD	8		32.80
2.95	CHICKEN SALAD	10		29.50
2.95	FRUIT PLATE	3		8.85
.35	TOMATO JUICE	12		4.20
.35	CRANBERRY JUICE	8		2.80
.45	CAKE	9		4.05
.25	ICED TEA	20		5.00
.25	TEA	5		1.25
	30% COST		TOTAL	148.45
3.50	BAKED FILLET OF SOLE	7		24.50
6.75	CHICKEN CORDON ROUGE	13		87.75
.50	FRUIT PIE	12		6.00
1.10	PARFAITS	15		16.50
.65	COLD HAM SANDWICH	6		3.90
.65	COLD BEEF SANDWICH	11		7.15
.25	COFFEE	45		11.25
	35% COST		TOTAL	157.05
3.25	CHICKEN FRICASSEE	18		58.50
3.25	STUFFED TOMATO W/CHICKEN	12		39.00
3.65	BEEF STROGANOFF	15		54.75
5.95	ROAST STUFFED TURKEY	8		47.60
5.25	FRIED CHICKEN DINNER	18		94.50
.60	PIE A LA MODE	9		5.40
.85	HAMBURGER SANDWICH	42		35.70
.45	GRILLED CHEESE SANDWICH	19		8.55
	40% COST		TOTAL	344.00
7.25	ROAST DUCKLING	7		50.75
.50	SOUP DU JOUR	24		12.00
.60	SUNDAYS	13		7.80
.95	CHEESE BURGER	35		33.25
.25	MILK	18		4.50
3.75	MARYLAND FRIED CHICKEN	21		78.75
3.50	HOT BEEF SANDWICH	16		56.00
3.50	HOT TURKEY SANDWICH	13		45.50
6.95	BEEF KA BOB	9		62.55
	45% COST		TOTAL	552.30
5.75	MARYLAND FRIED CRAB CAKES	13		74.75
4.25	BEEF TIPS ON RICE	19		80.75
4.95	COLD PLATE	11		54.45
3.75	STUFFED TOMATO W/SHRIMP	22		82.50
4.50	CRAB CAKE DINNER	14		63.00
4.95	SEAFOOD NEWBURG	30		148.50
.75	MARYLAND CRAB SOUP	45		33.75
	50% COST		TOTAL	645.75
10.00	NEW YORK STRIP STEAK	15		150.00
3.25	SHRIMP COCKTAIL	14		45.50
4.95	BAKED STUFFED PORK CHOP (1)	9		44.55
4.10	BAKED HAM	5		20.50
4.95	CRAB LOUIS	8		39.60
4.75	BAKED HAM DINNER	10		47.50
	55% COST		TOTAL	347.65
5.50	STUFFED PORK CHOPS (2)	14		77.00
8.95	PRIME RIBS OF BEEF AU JUS	26		232.70
	60% COST		TOTAL	309.70
6.25	ROAST BEEF AU JUS	18		112.50
11.95	BOILED LOBSTER TAIL	11		131.45
			TOTAL	243.95
			GRAND TOTAL	2468.80

SCATTER SHEET RECAP

ILLUSTRATION #2

ITEMS	25% COST	30% COST	35% COST	40% COST	45% COST	50% COST	55% COST	60% COST	TOTAL
COST % TO SALES	1.50%	1.91%	4.88%	5.71%	10.31%	7.04%	6.90%	5.93%	44.18%
% OF FOOD COST	3.40%	4.32%	11.04%	12.92%	23.36%	15.74%	15.62%	13.42%	100%

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